

# City of Reidsville North Carolina



## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

Prepared by:  
Finance Department  
Chris Phillips  
Assistant City Manager of Administration  
Finance Director



CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION (Unaudited)</b>		
Letter of Transmittal		i-v
Organizational Chart		vi
List of Principal Officials		vii
Certificate of Achievement for Excellence in Financial Reporting		viii
<b>FINANCIAL SECTION</b>		
Report of Independent Auditor		3 - 5
Management's Discussion and Analysis (Unaudited)		6 - 15
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	19
Statement of Activities	2	20
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	3	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4	23

CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION (continued)</b>		
Fund Financial Statements (continued):		
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	5	25
Statement of Net Position – Proprietary Funds	6	26
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	27
Statement of Cash Flows – Proprietary Funds	8	28 - 29
Notes to the Basic Financial Statements		30 - 79
Required Supplemental Financial Data (Unaudited):		
Proportionate Share of Net Pension Liability (Asset) - Local Government Employees' Retirement System	A-1	82
Contributions – Local Government Employees' Retirement System	A-2	83
Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance	A-3	84
Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance	A-4	85
Schedule of Changes in the Total OPEB Liability and Related Ratios	A-5	86

CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION (continued)</b>		
Combining and Individual Fund Statements and Schedules:		
Major Governmental Funds:		
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	B-1	90 – 94
Special Revenue Funds – American Rescue Plan Act - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	B-2	95
Nonmajor Governmental Funds:		
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	C-2	98
Special Revenue Fund - Landfill Assessment – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	C-3	99
Special Revenue Fund – CDBG – Neighborhood Revitalization – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	C-4	100
Special Revenue Fund - Downtown District Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	C-5	101
Capital Project Fund – Streetscape Improvements – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	C-6	102
Capital Projects Fund – Reidsville Industrial Park Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C-7	103

CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION (continued)</b>		
Combining and Individual Fund Statements and Schedules (continued):		
Nonmajor Governmental Funds (continued):		
Capital Projects Fund – Senior Center Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-8	104
Capital Projects Fund – Lake Reidsville Improvements – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-9	105
Capital Projects Fund – CDBG Coronavirus Penn House Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-10	106
Capital Projects Fund – Splashpad Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-11	107
Capital Projects Fund – Depot Shelter Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-12	108
Enterprise Funds:		
Water Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-1	112 - 113
Water Treatment Plant Improvements Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-2	114
Water Treatment Plant Generator Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-3	115

CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION (continued)</b>		
Combining and Individual Fund Statements and Schedules (continued):		
Enterprise Funds (continued):		
Redundant Water Line Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-4	116
Sewer Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-5	117 - 118
Waste Water Treatment Plant Improvements Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-6	119
Unifi Sewer Line Improvements Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-7	120
Waste Water Treatment Plant Improvements - BNR Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-8	121
Rural Ready Site Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-9	122
Community Development Block Grant (CDBG) – Infrastructure Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-10	123
Wastewater Treatment Plant Headworks Improvements Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-11	124
Annie Penn Sewer Outfall Improvements Capital Project Fund – Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	D-12	125

CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

Internal Service Funds:

Combining Statement of Net Position – Internal Service Funds	E-1	128
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	E-2	129
Combining Statement of Cash Flows – Internal Service Funds	E-3	130
Central Garage Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	E-4	131
Insurance Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	E-5	132

Additional Financial Data:

Schedule of Ad Valorem Taxes Receivable	F-1	136
Analysis of Current Tax Levy	F-2	137



CITY OF REIDSVILLE, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
<b>STATISTICAL SECTION (Unaudited)</b>		
Net Position by Component	1	140
Changes in Net Position	2	141 - 142
Fund Balances, Governmental Funds	3	143
Changes in Fund Balances, Governmental Funds	4	144
Assessed Value and Actual Value of Taxable Property	5	145
Direct and Overlapping Tax Rates	6	146
Principal Property Tax Payers	7	147
Property Tax Levies and Collections	8	148
Ratios of Outstanding Debt by Type	9	149
Ratios of Net General Bonded Debt Outstanding	10	150
Legal Debt Margin Information	11	151
Direct and Overlapping Governmental Activities Debt	12	152
Estimated Demographic and Economic Statistics	13	153
Principal Employers	14	154
Full-Time Equivalent City Employees by Function	15	155
Miscellaneous Statistics, Operating Indicators and Capital Asset Statistics by Function/Program	16	156

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## INTRODUCTORY SECTION

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# THE CITY OF Reidsville NORTH CAROLINA

December 4, 2024

To the Honorable Mayor, Members of the City Council  
and the Citizens of the City of Reidsville, North Carolina:

N.C. General Statute (G.S. 159-34) requires an annual independent financial audit of all local government units in the state. Based on the level of expenditures, a compliance audit on federal and state financial assistance programs may also be required under uniform guidance and the State Single Audit Implementation Act. This report is published as a result of fulfilling those requirements for the fiscal year ended June 30, 2024.

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.

Cherry Bekaert LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Reidsville’s financial statement for the year ended June 30, 2024. The Report of Independent Auditor is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Report of Independent Auditor and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## **Profile of the City of Reidsville**

The City of Reidsville (the “City”) was incorporated in 1873. It is located in the north central part of North Carolina in Rockingham County and is bordered on the north by the State of Virginia. It covers an area of 16.18 square miles and has a population of 14,773. The City operates under the Council-Manager form of government. The City Council is composed of seven members serving on a non-partisan basis. The Mayor is elected and serves a four-year term. Two council members are elected at-large, and serve four-year terms concurrent with the Mayor’s term. The City is divided into two districts, each of which elects two council members. These council members serve four-year terms, staggered against the Mayoral and at-large election.

The City provides a wide range of services that include general administration, public safety, transportation, cultural and recreational, solid waste collection, planning and zoning, community and economic development, cemetery and grounds maintenance, water treatment and distribution, and wastewater collection and treatment. This report covers all the City's activities in maintaining these services. In addition to general government activities, the City also maintains four special revenue functions as well as two internal service funds; therefore, these activities are included in the reporting entity. One of the special revenue functions is a related to activities in the City's downtown area; the second special revenue fund is for a multi-step State grant program to assess the City's former landfill; the third special revenue fund is a neighborhood revitalization program; the final special revenue fund is used to account for American Recovery Plan Act funds being used to fund various projects. The internal service funds consist of the garage operation that maintains and supports the City's vehicle fleet, and an insurance fund that handles transactions for workers' compensation, liability, auto, property and equipment coverage.

The City Council is required to adopt a final budget by no later than the close of the prior fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The City of Reidsville adopts annual budgets for the General Fund, Downtown District Special Revenue Fund, and the Enterprise Funds. Multi-year project budgets are adopted for the Capital Projects Funds and the multi-year Special Revenue Funds. Appropriations in all funds are made at the departmental level. However, for internal accounting purposes, budgetary control is maintained by object class (line item account). Purchase orders that would create an over encumbrance at that level are not written until additional appropriations are available through budget amendments by Council or intradepartmental transfers approved by the City Manager. The City Manager may transfer funds between departments as long as total appropriations are not changed and the budgetary transfers are reported to the City Council at the next Board meeting. Encumbrances outstanding at June 30, 2024 are not included in expenditures and are charged to an appropriation in the following year. These encumbrances are a part of the fund balance restricted by stabilization by state statute.

## **Economic Condition**

The local economy continues to show signs of growth. There has been a net increase jobs in the area in spite of some large business closings; Rockingham County's unemployment rate has dropped to 3.60%. The City continues to work closely with the County in economic development efforts. A state facility with over a hundred employees opened during the year and a dog food manufacturer is slated to begin production soon in a newly built facility. These two employers will continue to diversify the work opportunities in the area. A new work force facility recently opened at Rockingham Community College that will be a key factor in training workers and attracting new businesses. The last large lot in the joint City/County industrial park was recently cleared and graded through a Golden Leaf grant and that lot has attracted a good deal of attention in recent months.

Highway 29, that traverses the City, is slated to be upgraded to Interstate 840 by the NC Department of Transportation. This upgrade could make Reidsville more attractive to some industrial prospects. A new connector in Greensboro has shed minutes off the travel time to the Piedmont Triad International airport as well. In the last year, a casino opened for business across the Virginia border in Danville. Highway 29 will be a primary path to this destination and the City hopes to see accommodating growth as traffic counts increase.

## **Long-term Financial Planning**

As mentioned above, and in the major initiatives section below, the City has several projects in progress. It is the policy of the City to seek grant funding, when appropriate, for projects; however, the majority of funding for the current projects has come from the American Rescue Plan funds along with General Fund Balance or capital reserves in the Enterprise Funds. The City has used short-term leasing for some larger vehicle purchases in recent years, and plans to continue this form of financing as long as it remains attractive. The City sold combined enterprise system revenue bonds, about a decade ago, in a private placement with a bank to finance improvements to the dam and spillway at Lake Reidsville; around the same time, additional revenue bonds and a no-interest State loan were obtained for other infrastructure needs in the enterprise system, including upgrades at the water and wastewater plants. More recently, the City has been able to obtain low interest (or no interest) loans and grants from the State for four large utility system improvement projects. Grant and low interest funding continue to be sought to continue these type of infrastructure improvements. The City has not attempted to sell bonds in the public market in a number of years, but our last bond ratings from Moody's and Standard and Poor's were A1 and A+, respectively. Current state statutes require that the City's general obligation bonded debt issuance be subject to a legal limitation based on eight percent of total assessed value of real and personal property. On June 30, 2024, the City had no general obligation debt; the City's legal debt margin totaled \$98,485,543.

## **Relevant Financial Policies**

Management of the City is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by Management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions.

## **Major Initiatives**

2023 was the Sesquicentennial year for the City of Reidsville. The City officially turned 150 on December 22, 2023, but chose to celebrate for the entire year. A calendar of events was planned to mark the milestone. The celebrations began with a January dedication of a Sesquicentennial clock tower. Many facility open houses were planned and annual events took on a Sesquicentennial theme. A magazine was published celebrating the accomplishments of the past with an eye toward the future of the City as well. The final event was the burial of a time capsule at the clock tower site, to be opened in 2073.

The City continued work on several improvement projects as they moved from the planning phase to the construction phase.

Due to the American Rescue Plan, the City was also able to make several “quality-of-life” improvements that have been well received by citizens and visitors.

A streetscape project was completed in the City’s downtown to replace damaged sidewalks and to add new decorative features along with electrical and Wi-Fi infrastructure. This project has added to a renewed spirit in the downtown with a new restaurant opening and several buildings doing facelifts of their own.

Sky’s the Limit Park, the only all-inclusive park in Rockingham County, was completed recently. The aviation themed park features several individual play pieces, restrooms designed for special needs and a restored airplane designed as a welcome out front. This project defines “Team Reidsville” with several local entities being major donors to the project.

A splashpad was completed and had a grand opening on Memorial Day weekend. A very popular addition for City citizens, offered free of charge.

The City has worked with the State for grant funding and low interest loans for infrastructure improvements. Funding has been approved for improvements at the wastewater treatment plant for bulk nutrient removal and to renovate the headworks portion of the process along with a redundant water line to feed use within the City. A major sewer line rehabilitation project was completed using CDBG funds and utility improvements on a large track of land jointly owed with the County continues as well, with State funding. The City was fortunate to receive a State budget allocation for a whole plant generator at the water treatment plant and for a sewer outfall rehabilitation project. Both of these projects are in the planning phase.



## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Reidsville for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirtieth consecutive year that City 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.

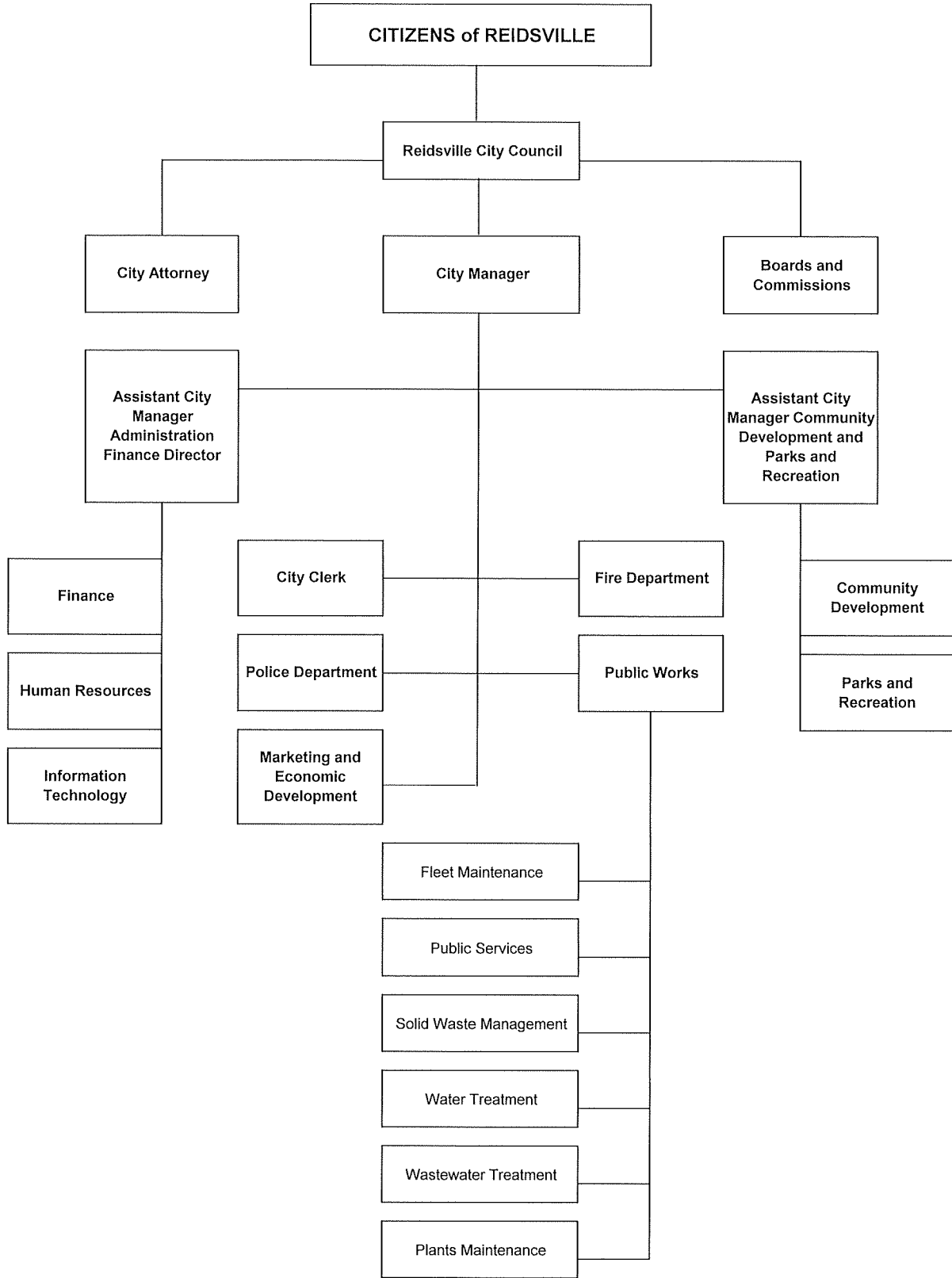
A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Assistance and cooperation, during the preparation of this report, were also provided by employees of various departments within the City, particularly the Finance Department staff. Each person who provided assistance has our sincere appreciation for the contributions made in the preparation of this report. Our auditors also provided a great deal of support during the preparation of this report. We also thank the members of City Council for their continued support throughout the past year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Chris Phillips', with a stylized flourish at the end.

Chris Phillips  
Assistant City Manager – Administration  
Finance Director



**City of Reidsville  
List of Principal Officials  
June 30, 2024**

City Council  
Members

Donald L. Gorham, Mayor  
Harry Brown, Mayor Pro-Tem  
Shannon Coates  
Barbara DeJournette  
Rev. William Hairston  
William Martin  
Terresia E. Scoble

City Officials

Summer Moore, City Manager  
Haywood Cloud, Jr., Assistant City Manager of Community  
Development and Parks and Recreation  
William F. McLeod, Jr., City Attorney  
Angela G. Stadler, City Clerk  
Leigh Anne Bassinger, Director of Human Resources  
Chris Phillips, Assistant City Manager –  
Administration/ Finance Director  
Josh Beck, Public Works Director  
Ray Gibson, Police Chief  
Joshua Farmer, Fire Chief  
Shirrell Williams, IT Director  
Montana Brown, Director of Marketing and  
Economic Development



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Reidsville  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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## Report of Independent Auditor

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Reidsville, North Carolina (the "City"), 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 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, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 Reidsville ABC Board (the "Board"), which represents 100% of the assets, net position and revenues of the discretely presented component unit balances as of June 30, 2024. Those 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 Board, is based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the 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'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules and additional financial data are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 and 2023 basic



financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and additional financial data are fairly stated, in all material respects, in relation to the basic financial statements for the years ended June 30, 2024 and 2023, as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, 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 Reidsville, North Carolina as of and for the year ended June 30, 2023 (none of which is presented herein), and we expressed unmodified opinions on those basic financial statements. Those audits were conducted for purposes of forming an opinion on the basic financial statements as a whole. The accompanying combining and individual fund statements and schedules and additional financial data are presented for purposes of additional analysis and is not a required part of the 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 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the accompanying combining and individual fund statements and schedules and additional financial data is fairly stated in all material respects in relation to the financial statements from which it has been derived.

#### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
December 4, 2024

## Management's Discussion and Analysis

As management of the City of Reidsville (the "City"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Reidsville for the fiscal year ended June 30, 2024. This Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or conditions. 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.

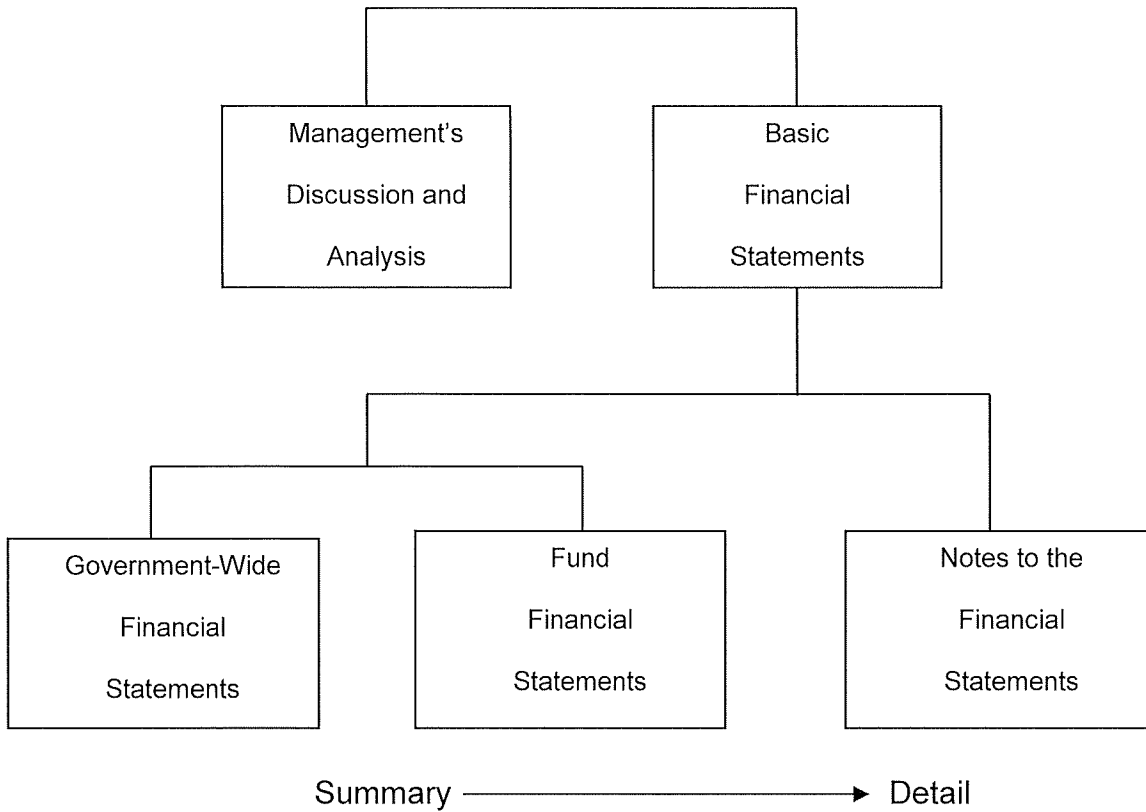
### Financial Highlights

- The assets and deferred outflows of resources of the City of Reidsville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$80,124,888 (net position).
- The City's net position increased by \$2,289,930 from the prior year. The governmental activities net position increased by \$1,994,052 or 6.43%. The business-type activities net position increased by \$295,878 or .63%.
- At the end of the current fiscal year, the total unassigned fund balance for the General Fund was \$9,148,055 which is an increase from the prior year of \$775,184 or 9.26%. This unassigned fund balance represents 46.04% of total General Fund expenditures and transfers out for the fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to City of Reidsville's basic financial statements. The financial statements include two kinds of statements that present different views of the City: 1) Government-Wide Financial Statements and 2) Fund Financial Statements. Both perspectives, however, are essential and complementary components that allow the user to address relevant questions, broaden a basis for comparison, and enhance the City's financial accountability. Another element of the basic financial statements is the notes to 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 Reidsville.

**Figure 1 - Required Components of Annual Financial Report**



**Basic Financial Statements**

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 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 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 general government, public safety, transportation, environmental protection, cultural and recreational, and economic and physical development. Property taxes, fees, 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 offered by the City of Reidsville. The final category is the component unit. Although legally separate from the City, the ABC Board is presented with the City's financial statements because 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 presented as Exhibits 1 and 2 of this report.

## Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Reidsville, 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 Reidsville 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, and what monies are left at year-end that will be available for future spending. Governmental funds are reported using the *modified accrual* accounting method 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 government-wide statements, on the other hand, provide both a short- and a long-term focus. A reconciliation is provided on the page following the fund statements that explains the relationship or differences between the two views.

The City of Reidsville 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 fund 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 Reidsville has two types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Reidsville uses enterprise funds to account for its water and sewer activities. 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 of Reidsville. The City uses an internal service fund to account for two activities – its central garage operations and its insurance fund. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

**Component Unit** – The ABC Board is a discretely presented component unit of the City of Reidsville. This component unit is not considered to be part of the City’s primary operations and therefore is reported in total as a separate column to differentiate its financial position, results of operations and cash flows from those of the City. Additional information on this legally separate entity can be found in the notes to the 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.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Reidsville’s progress in funding its obligation to provide pension benefits and other post employment benefits to its employees and retirees. Other supplementary information includes combining statements for selected funds showing additional detail for revenues and expenditures.

## Government-wide Financial Analysis

### Figure 2 - The City of Reidsville's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 19,358,853	\$ 21,207,610	\$ 10,542,336	\$ 11,831,855	\$ 29,901,189	\$ 33,039,465
Capital assets	33,729,630	31,317,743	54,484,591	53,542,121	88,214,221	84,859,864
Total Assets	53,088,483	52,525,353	65,026,927	65,373,976	118,115,410	117,899,329
Deferred outflows of resources	5,219,533	5,508,235	901,885	923,135	6,121,418	6,431,370
Long-term liabilities outstanding	20,363,692	19,635,371	15,904,576	17,043,808	36,268,268	36,679,179
Other liabilities	2,469,751	4,326,067	2,478,288	1,903,692	4,948,039	6,229,759
	22,833,443	23,961,438	18,382,864	18,947,500	41,216,307	42,908,938
Deferred inflows of resources	2,449,463	3,041,092	446,170	545,711	2,895,633	3,586,803
Net position:						
Net investment in capital assets	27,516,047	24,750,486	41,452,506	39,154,406	68,968,553	63,904,892
Restricted	4,806,653	5,317,626	-	-	4,806,653	5,317,626
Unrestricted	702,410	962,946	5,647,272	7,649,494	6,349,682	8,612,440
Total net Position	<u>\$ 33,025,110</u>	<u>\$ 31,031,058</u>	<u>\$ 47,099,778</u>	<u>\$ 46,803,900</u>	<u>\$ 80,124,888</u>	<u>\$ 77,834,958</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 resources of the City of Reidsville exceeded liabilities and deferred inflows by \$80,124,888 as of June 30, 2024. The City's net position is more than the prior year by \$2,289,930 as a result of activities for the fiscal year. A large portion (86.08%) of the City's net position is represented by the City's investment in capital assets. The City of Reidsville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Reidsville'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's net position (6.25%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,349,682) may be used to meet the government's ongoing obligations to citizens and creditors.

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

- Continued effort in the collection of revenues, including property taxes collected by the Rockingham County Tax Department.
- Continued growth in sales tax distributions for the State.
- Increased investment earnings due to increased interest rates.
- Continued grant opportunities and low-cost borrowing opportunities with the State.
- Conservative revenue projections and spending by all departments.

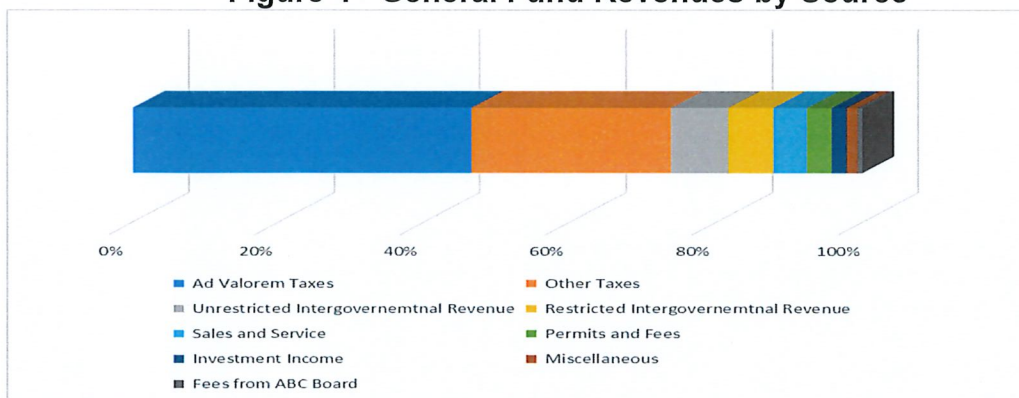
**Figure 3 - City of Reidsville's Changes in Net Position**

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,221,433	\$ 1,163,459	\$ 9,930,799	\$ 9,992,328	\$ 11,152,232	\$ 11,155,787
Operating grants and contributions	1,144,959	883,705	-	-	1,144,959	883,705
Capital grants and contributions	155,711	962,220	943,048	1,371,158	1,098,759	2,333,378
General revenues:						
Property taxes	9,122,979	9,332,114	-	-	9,122,979	9,332,114
Other taxes	5,484,805	5,473,914	-	-	5,484,805	5,473,914
Grants and contributions not restricted to specific programs	3,773,448	3,891,873	-	-	3,773,448	3,891,873
Other	1,566,434	926,688	364,396	441,522	1,930,830	1,368,210
Total revenues	<u>22,469,769</u>	<u>22,633,973</u>	<u>11,238,243</u>	<u>11,805,008</u>	<u>33,708,012</u>	<u>34,438,981</u>
Expenses:						
General government	2,670,695	2,739,692	-	-	2,670,695	2,739,692
Public safety	9,772,736	9,156,930	-	-	9,772,736	9,156,930
Transportation	2,539,696	2,277,826	-	-	2,539,696	2,277,826
Environmental protection	2,122,321	2,180,860	-	-	2,122,321	2,180,860
Cultural and recreational	2,704,720	2,530,807	-	-	2,704,720	2,530,807
Economic and physical development	665,549	804,296	-	-	665,549	804,296
Water and sewer	-	-	10,942,365	10,204,904	10,942,365	10,204,904
Total expenses	<u>20,475,717</u>	<u>19,690,411</u>	<u>10,942,365</u>	<u>10,204,904</u>	<u>31,418,082</u>	<u>29,895,315</u>
Increase (decrease) in net position	1,994,052	2,943,562	295,878	1,600,104	2,289,930	4,543,666
Net position, beginning	<u>31,031,058</u>	<u>28,087,496</u>	<u>46,803,900</u>	<u>45,203,796</u>	<u>77,834,958</u>	<u>73,291,292</u>
Net position, ending	<u>\$ 33,025,110</u>	<u>\$ 31,031,058</u>	<u>\$ 47,099,778</u>	<u>\$ 46,803,900</u>	<u>\$ 80,124,888</u>	<u>\$ 77,834,958</u>

**Governmental activities:** Governmental activities increased the City's net position by \$1,994,052. Key elements of governmental activities are as follows:

- The City continues to use current assets in Economic Development efforts to bring new business to the area to help secure financial stability and create future revenues.
- Increases in Sales Tax and Investment Income revenues.
- Conservative spending along with a focus on grant funded projects.

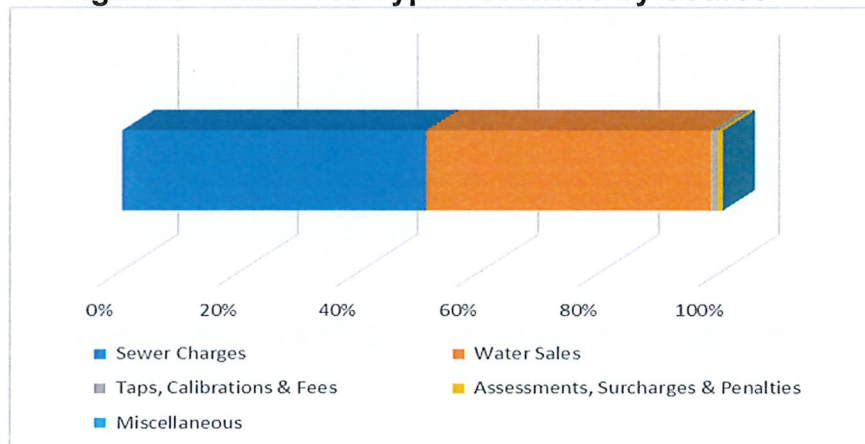
**Figure 4 - General Fund Revenues by Source**



**Business-type activities:** Business-type activities increased the City of Reidsville's net position by \$295,878. Key elements of these activities are as follows:

- Increased operational costs, chemicals and electricity.
- Increased Investment Interest due to rising interest rates.
- Operational efficiency initiatives and conservative spending.
- Continued grant and low-cost borrowing opportunities at the State level.

**Figure 5 – Business Type Revenues by Source**





## Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City of Reidsville'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 Reidsville'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 Reidsville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,148,055, while total fund balance was \$15,105,864. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 46.04% of total General Fund expenditures and transfers out, while total fund balance represents 76.03% of that same amount.

Total General Fund Balance decreased by \$1,071,567 or 7.64% over the prior fiscal year end. (This change includes the effect of a \$14,327 decrease in the City's reserve for inventories.) This increase was a result of slight growth in revenues along with conservative spending; increased interest rates allowed for investment earnings that were not as strong a revenue source in recent years. The unassigned fund balance increased by \$775,184. Additionally, \$550,000 of fund balance related to a land sale was committed for future capital/industrial projects.

Fund balance for all Other Governmental Funds decreased this year, due to the progress or completion of related capital projects during the year.

**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.

Revenues exceeded budgeted amounts by \$1,039,642. Expenditures were under budget by \$2,938,316, or 12.89%. The original budget was balanced without an appropriation of fund balance. Over the course of the year, the fund balance appropriation grew to \$2,920,718 as needs were identified and approved.

**Proprietary Funds.** The City of Reidsville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Water Fund at the end of the fiscal year amounted to \$19,294,910 while net position for the Sewer Fund amounted to \$27,804,868. The total change in net position was a decrease in the Water Fund of \$335,021 and an increase in the Sewer Fund of \$630,899.

## Capital Asset and Debt Administration

**Capital assets.** The City of Reidsville's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$88,214,221 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Four major projects in the Water and Sewer Funds moved into the final planning or construction phase during the year.
- Three large projects, mostly grant funded, were completed or near completion in the governmental activities funds. In addition, the City continues replacing large pieces of equipment as these items age and funding is available.

**Figure 6 - City of Reidsville's Capital Assets (Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 2,386,352	\$ 2,313,922	\$ 1,291,926	\$ 1,291,926	\$ 3,678,278	\$ 3,605,848
Construction in Progress	25,327	1,124,430	5,330,783	3,676,421	5,356,110	4,800,851
Buildings and System						
Improvements	14,613,687	11,558,015	46,852,181	47,387,670	61,465,868	58,945,685
Other Improvements	6,549,087	6,433,167	-	-	6,549,087	6,433,167
Infrastructure	6,053,062	6,046,510	-	-	6,053,062	6,046,510
Vehicles and Equipment	3,975,446	3,820,191	1,009,701	1,186,104	4,985,147	5,006,295
IT Subscriptions	126,669	21,508	-	-	126,669	21,508.00
<b>Total</b>	<b>\$ 33,729,630</b>	<b>\$ 31,317,743</b>	<b>\$ 54,484,591</b>	<b>\$ 53,542,121</b>	<b>\$ 88,214,221</b>	<b>\$ 84,859,864</b>

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 48-50.

**Outstanding Debt Obligations.** As of June 30, 2024, the City of Reidsville had no general obligation bonded debt outstanding.

**Figure 7 - City of Reidsville's Outstanding Debt Obligations**

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue bonds	-	-	7,445,000	8,134,000	7,445,000	8,134,000
Capital financing	1,615,192	1,980,890	-	-	1,615,192	1,980,890
Note payable	4,497,122	4,586,367	7,332,894	7,999,521	11,830,016	12,585,888
<b>Total</b>	<b>\$ 6,112,314</b>	<b>\$ 6,567,257</b>	<b>\$ 14,777,894</b>	<b>\$ 16,133,521</b>	<b>\$ 20,890,208</b>	<b>\$ 22,700,778</b>

The City of Reidsville's total outstanding debt obligations decreased by \$1,810,570 (7.98%) during the past fiscal year. This was the result of scheduled payments being made while there were no additional debt issuances.

The City has paid off all outstanding general obligation bonds; therefore, the City has no official bond rating from the rating agencies. The City has been able to borrow at competitive rates, evidence that financial institutions find the City in sound financial condition.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Reidsville is \$98,485.543.

Additional information regarding the City of Reidsville's long-term obligations can be found in the notes to the financial statements on pages 71-76.

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

The following key economic indicators reflect the economic conditions affecting the City:

- Unemployment. The City of Reidsville's (Rockingham County's) unemployment rate has continued to drop much like the rest of the State.
- Jobs. There continues to be job opportunities in the area and two new large employers, a State facility recently opening and a new manufacturing facility slated to come on line in the next year.
- City employment. The City of Reidsville added two new position in the fiscal year.
- Revenue affected by the economy. Collections of sales taxes remained steady with a slight this year. The amount of interest earned on reserves are budgeted to steady as increases as large drops in interest rates are not expected.
- Tax Values. Rockingham County completed a revaluation that resulted in average value increases of 35%; residential properties saw larger increases in value as recent sales drove the process. While the related tax rate was lowered, the City was not able to adopt a revenue-neutral tax rate due to increased operational costs. The ad valorem tax base has also grown with the construction of new homes and business. There are several new residential projects in the planning phase.

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

**Governmental Activities:** Governmental revenues are budgeted to increase due to the tax rate applied to the revalued property base. No reduction was expected in revenue sources due to increased collections in property taxes and sales taxes in recent years along with investment earnings. No fund balance was appropriated in the approved budget.

**Business – type Activities:** There was a significant utility rate increase in the 2024-2025 adopted budget in order to meet operational needs, prepare for debt service related to current project in progress and to make other needed capital purchases. The increase was 35%, with water rates going up 65% and sewer rates going up 25%. The City continues to pursue grants and other funding opportunities for infrastructure projects as well to both insure future stability of the system and to create operational efficiencies.

### **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 Reidsville, 230 West Morehead Street, Reidsville, NC 27320.

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Net Position  
June 30, 2024**

Exhibit 1

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total Primary Government</b>	<b>City of Reidsville ABC Board</b>
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Investments	\$ 14,444,673	\$ 6,122,033	\$ 20,566,706	\$ 628,445
Receivables (net):				
Taxes	186,202	-	186,202	-
Accounts, Notes, Leases and Grants	4,460,187	2,441,373	6,901,560	-
Inventories	210,604	233,121	443,725	169,194
Prepaid Items	29,503	-	29,503	-
Restricted Cash	27,684	1,745,809	1,773,493	-
<b>Total Current Assets</b>	<b>19,358,853</b>	<b>10,542,336</b>	<b>29,901,189</b>	<b>797,639</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Nondepreciable	2,411,679	6,622,709	9,034,388	445,410
Depreciable, Net	31,191,282	47,861,882	79,053,164	1,011,951
Right to Use Assets, Net	126,669	-	126,669	-
<b>Total Capital Assets</b>	<b>33,729,630</b>	<b>54,484,591</b>	<b>88,214,221</b>	<b>1,457,361</b>
<b>Total Noncurrent Assets</b>	<b>33,729,630</b>	<b>54,484,591</b>	<b>88,214,221</b>	<b>1,457,361</b>
<b>Total Assets</b>	<b>53,088,483</b>	<b>65,026,927</b>	<b>118,115,410</b>	<b>2,255,000</b>
<b>Deferred Outflows of Resources</b>				
Pension Deferrals	4,262,506	724,400	4,986,906	132,847
OPEB Deferrals	957,027	177,485	1,134,512	-
<b>Total Deferred Outflows of Resources</b>	<b>5,219,533</b>	<b>901,885</b>	<b>6,121,418</b>	<b>132,847</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable and Accrued Liabilities	1,142,253	1,009,738	2,151,991	224,519
Customer Deposits	-	77,983	77,983	-
Unearned Revenue	727,561	-	727,561	-
Current Portion of Long-Term Liabilities	599,937	1,390,567	1,990,504	-
<b>Total Current Liabilities</b>	<b>2,469,751</b>	<b>2,478,288</b>	<b>4,948,039</b>	<b>224,519</b>
<b>Long Term Liabilities:</b>				
LGERS Net Pension Liability	6,233,907	1,180,175	7,414,082	170,412
Total LEO Pension Liability	2,248,192	-	2,248,192	-
Total OPEB Liability	5,434,527	1,207,672	6,642,199	-
Due in More Than One Year	6,447,066	13,516,729	19,963,795	1,214,898
<b>Total Long-Term Liabilities</b>	<b>20,363,692</b>	<b>15,904,576</b>	<b>36,268,268</b>	<b>1,385,310</b>
<b>Total Liabilities</b>	<b>22,833,443</b>	<b>18,382,864</b>	<b>41,216,307</b>	<b>1,609,829</b>
<b>Deferred Inflows of Resources</b>				
Pension Deferrals	283,906	7,487	291,393	409
OPEB Deferrals	1,974,075	438,683	2,412,758	-
Lease	157,284	-	157,284	-
Prepaid Taxes	34,198	-	34,198	-
<b>Total Deferred Inflows of Resources</b>	<b>2,449,463</b>	<b>446,170</b>	<b>2,895,633</b>	<b>409</b>
<b>Net Position</b>				
Net Investment in Capital Assets	27,516,047	41,452,506	68,968,553	188,787
Restricted:				
Stabilization by State Statute	4,361,951	-	4,361,951	-
Public Safety	37,344	-	37,344	-
Streets	160,883	-	160,883	-
Debt Service	246,475	-	246,475	-
Working Capital	-	-	-	109,032
Unrestricted	702,410	5,647,272	6,349,682	479,790
<b>Total Net Position</b>	<b>\$ 33,025,110</b>	<b>\$ 47,099,778</b>	<b>\$ 80,124,888</b>	<b>\$ 777,609</b>

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

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Activities  
For the Year Ended June 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 2,670,695	\$ 250,167	\$ 223,497	\$ -
Public Safety	9,772,736	8,654	315,949	-
Transportation	2,539,696	-	518,675	-
Environmental Protection	2,122,321	549,438	-	-
Cultural and Recreational	2,704,720	413,174	78,988	142,008
Economic and Physical Development	665,549	-	7,850	13,703
<b>Total governmental activities</b>	<u>20,475,717</u>	<u>1,221,433</u>	<u>1,144,959</u>	<u>155,711</u>
Business-type Activities:				
Water	5,166,502	4,656,150	-	121,973
Sewer	5,775,863	5,274,649	-	821,075
<b>Total business-type activities</b>	<u>10,942,365</u>	<u>9,930,799</u>	<u>-</u>	<u>943,048</u>
<b>Total primary government</b>	<u>\$ 31,418,082</u>	<u>\$ 11,152,232</u>	<u>\$ 1,144,959</u>	<u>\$ 1,098,759</u>
<b>Component unit:</b>				
City of Reidsville ABC Board	\$ 3,623,602	\$ 3,673,252	\$ -	\$ -
<b>Total component unit</b>	<u>\$ 3,623,602</u>	<u>\$ 3,673,252</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Ad Valorem Taxes				
Local Option Sales Tax				
Other Taxes				
Unrestricted Intergovernmental Revenue				
Unrestricted Investment Earnings				
Miscellaneous				
Gain on Sale of Capital Assets				
<b>Total general revenues</b>				
Change in Net Position				
Net position - beginning				
Net position - ending				

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



<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>City of Reidsville ABC Board</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
\$ (2,197,031)	\$ -	\$ (2,197,031)	\$ -
(9,448,133)	-	(9,448,133)	-
(2,021,021)	-	(2,021,021)	-
(1,572,883)	-	(1,572,883)	-
(2,070,550)	-	(2,070,550)	-
(643,996)	-	(643,996)	-
<u>(17,953,614)</u>	<u>-</u>	<u>(17,953,614)</u>	<u>-</u>
-	(388,379)	(388,379)	-
-	319,861	319,861	-
<u>-</u>	<u>(68,518)</u>	<u>(68,518)</u>	<u>-</u>
<u>(17,953,614)</u>	<u>(68,518)</u>	<u>(18,022,132)</u>	<u>-</u>
-	-	-	49,650
<u>-</u>	<u>-</u>	<u>-</u>	<u>49,650</u>
9,122,979	-	9,122,979	-
5,315,822	-	5,315,822	-
168,983	-	168,983	-
3,773,448	-	3,773,448	-
636,738	364,396	1,001,134	-
344,624	-	344,624	-
585,072	-	585,072	-
<u>19,947,666</u>	<u>364,396</u>	<u>20,312,062</u>	<u>-</u>
1,994,052	295,878	2,289,930	49,650
31,031,058	46,803,900	77,834,958	727,959
<u>\$ 33,025,110</u>	<u>\$ 47,099,778</u>	<u>\$ 80,124,888</u>	<u>\$ 777,609</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Balance Sheet  
Governmental Funds  
June 30, 2024**

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	American Rescue Plan Fund	Non-Major Funds	
<b>Assets</b>				
Cash and Investments	\$ 13,237,983	\$ 495,695	\$ 482,717	\$ 14,216,395
Receivables (net):				
Taxes	166,656	-	-	166,656
Accounts, Notes and Grants	4,277,035	-	183,152	4,460,187
Due from Other Funds	-	-	-	-
Inventories	160,213	-	-	160,213
Prepaid Items	29,503	-	-	29,503
Restricted Cash	-	-	27,684	27,684
Total assets	<u>\$ 17,871,390</u>	<u>\$ 495,695</u>	<u>\$ 693,553</u>	<u>\$ 19,060,638</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 987,173	\$ -	\$ 49,171	\$ 1,036,344
Due to Other Funds	-	-	-	-
Unearned Revenue	201,392	495,695	30,474	727,561
Total liabilities	<u>1,188,565</u>	<u>495,695</u>	<u>79,645</u>	<u>1,763,905</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenues	1,576,961	-	122,441	1,699,402
<b>Fund balances</b>				
Non Spendable:				
Inventories	160,213	-	-	160,213
Prepaid Items	29,503	-	-	29,503
Lease Receivable, Net	5,462	-	-	5,462
Restricted:				
Stabilization by State Statute	4,361,951	-	60,711	4,422,662
Public Safety	37,344	-	-	37,344
Streets	160,883	-	-	160,883
Debt Service	246,475	-	-	246,475
Committed:				
LEO Special Separation Allowance	308,944	-	-	308,944
Capital Projects	550,000	-	385,548	935,548
Downtown District	97,034	-	30,369	127,403
Neighborhood Revitalization	-	-	14,839	14,839
Unassigned	9,148,055	-	-	9,148,055
Total fund balances	<u>15,105,864</u>	<u>-</u>	<u>491,467</u>	<u>15,597,331</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,871,390</u>	<u>\$ 495,695</u>	<u>\$ 693,553</u>	<u>\$ 19,060,638</u>

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

(Continued)

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
June 30, 2024**

Exhibit 3  
(Continued)

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Ending fund balance - governmental funds		\$ 15,597,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Gross capital assets at historical cost	\$ 91,333,558	
Accumulated Depreciation	<u>(57,730,597)</u>	33,602,961
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Right to use assets at historical cost	203,521	
Accumulated Amortization	<u>(76,852)</u>	126,669
Deferred outflows of resources not reported in the funds:		
Related to pensions	4,262,506	
Related to OPEB	<u>934,025</u>	5,196,531
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds.		
		19,546
Earned revenues considered deferred inflows of resources in fund statements:		
Property taxes receivable (net)	166,655	
Assessments receivable	20,383	
Other receivables	<u>1,320,882</u>	1,507,920
Internal service funds are used by management to charge insurance costs and garage charges to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		28,504
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:		
Gross long-term debt less Internal Service Funds portion	(7,035,657)	
LGERS pension liability	(6,233,907)	
LEO pension liability	(2,248,192)	
OPEB liability less Internal Service Funds portion	<u>(5,266,795)</u>	(20,784,551)
Deferred inflows of resources not reported in the funds:		
Related to pensions	(283,906)	
Related to OPEB	<u>(1,913,147)</u>	(2,197,053)
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.		
		(72,748)
Net position of governmental activities		<u>\$ 33,025,110</u>

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

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2024**

Exhibit 4

	Major Funds			Total Governmental Funds
	General Fund	American Rescue Plan Fund	Non-Major Funds	
<b>Revenues</b>				
Ad Valorem Taxes	\$ 9,103,462	\$ -	\$ -	\$ 9,103,462
Other Taxes	5,484,805	-	-	5,484,805
Unrestricted Intergovernmental Revenue	1,658,375	-	-	1,658,375
Fees from ABC Board	113,042	-	-	113,042
Restricted Intergovernmental Revenue	1,198,259	1,898,582	223,497	3,320,338
Permits and Fees	759,455	-	-	759,455
Sales and Service	1,217,021	-	-	1,217,021
Investment Income	636,738	-	13,703	650,441
Miscellaneous	203,077	-	34,375	237,452
<b>Total revenues</b>	<b>20,374,234</b>	<b>1,898,582</b>	<b>271,575</b>	<b>22,544,391</b>
<b>Expenditures</b>				
Current:				
General Government	2,257,367	-	204,156	2,461,523
Public Safety	8,639,216	-	-	8,639,216
Transportation	1,883,510	-	-	1,883,510
Environmental Protection	1,858,888	-	-	1,858,888
Cultural and Recreational	1,995,269	-	-	1,995,269
Economic and Physical Development	677,537	-	67,000	744,537
Capital Outlay	1,891,058	-	2,643,317	4,534,375
Debt service:				
Principal	505,577	-	-	505,577
Interest	154,775	-	-	154,775
<b>Total expenditures</b>	<b>19,863,197</b>	<b>-</b>	<b>2,914,473</b>	<b>22,777,670</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>511,037</b>	<b>1,898,582</b>	<b>(2,642,898)</b>	<b>(233,279)</b>
<b>Other financing sources (uses)</b>				
Transfers In	400,000	-	1,498,582	1,898,582
Transfers Out	(5,700)	(1,898,582)	-	(1,904,282)
Debt Proceeds	151,903	-	-	151,903
<b>Total other financing sources (uses)</b>	<b>546,203</b>	<b>(1,898,582)</b>	<b>1,498,582</b>	<b>146,203</b>
<b>Net change in fund balances</b>	<b>1,057,240</b>	<b>-</b>	<b>(1,144,316)</b>	<b>(87,076)</b>
<b>Fund balance - beginning</b>	<b>14,034,297</b>	<b>-</b>	<b>1,635,783</b>	<b>15,670,080</b>
<b>Change in reserve for inventories</b>	<b>14,327</b>	<b>-</b>	<b>-</b>	<b>14,327</b>
<b>Fund balance - ending</b>	<b>\$ 15,105,864</b>	<b>\$ -</b>	<b>\$ 491,467</b>	<b>\$ 15,597,331</b>

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

(Continued)

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2024**

Exhibit 4  
(Continued)

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

Net change in fund balances - total governmental funds	\$	(87,076)
Change in fund balance due to change in reserve for inventory.		14,327
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay expenditures which were capitalized	\$ 4,382,473	
Depreciation expense for governmental assets	(2,062,080)	
Disposal of asset	<u>(13,667)</u>	2,306,726
Right to use leased asset capital outlay expenditures which were capitalized	\$ 151,903	
Amortization expense for intangible assets	<u>(46,742)</u>	105,161
Use of a prepaid asset related to SBITA reported as an expense at the fund level.		21,508
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.		1,254,075
Benefit payments paid for LEOSSA are not included on the statement of activities.		57,140
OPEB benefit payments and administrative costs in the current fiscal year are not included on the statement of activities.		223,619
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Change in:		
Property taxes (net)	17,083	
Interest on property taxes	2,434	
Assessments	715	
Other receivables	<u>139,447</u>	159,679
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
New long-term debt issued	(151,903)	
Principal payments on long-term debt	505,577	
Change in accrued interest payable	<u>2,879</u>	356,553
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Change in:		
Pension expense	(2,120,728)	
Compensated absences	(89,149)	
Other postemployment benefits	<u>(213,143)</u>	(2,423,020)
The net revenue of certain activities of the internal service funds is reported with governmental activities.		<u>5,360</u>
Change in net position of governmental activities	\$	<u><u>1,994,052</u></u>

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

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General Fund  
For the Year Ended June 30, 2024**

Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues</b>				
Ad Valorem Taxes	\$ 8,930,500	\$ 8,930,500	\$ 9,103,462	\$ 172,962
Other Taxes	5,424,500	5,474,500	5,484,805	10,305
Unrestricted Intergovernmental Revenue	1,582,150	1,591,150	1,658,375	67,225
Fees from ABC Board	125,850	127,350	113,042	(14,308)
Restricted Intergovernmental Revenue	776,000	1,018,718	1,198,259	179,541
Permits and Fees	579,750	589,256	759,455	170,199
Sales and Service	569,850	647,463	1,217,021	569,558
Investment Income	425,000	425,000	636,738	211,738
Miscellaneous	87,000	530,655	203,077	(327,578)
Total revenues	<u>18,500,600</u>	<u>19,334,592</u>	<u>20,374,234</u>	<u>1,039,642</u>
<b>Expenditures</b>				
Current:				
General Government	2,178,162	3,198,179	2,639,264	558,915
Public Safety	8,992,100	9,583,954	9,258,113	325,841
Transportation	2,353,538	2,955,505	2,440,978	514,527
Environmental Protection	1,994,900	2,432,325	2,345,072	87,253
Cultural and Recreational	2,152,400	3,407,030	2,502,233	904,797
Economic and Physical Development	829,500	1,224,520	677,537	546,983
Total expenditures	<u>18,500,600</u>	<u>22,801,513</u>	<u>19,863,197</u>	<u>2,938,316</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(3,466,921)</u>	<u>511,037</u>	<u>3,977,958</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	400,000	400,000	-
Transfers Out	-	(5,700)	(5,700)	-
Proceeds from Capital Lease	-	151,903	151,903	-
Fund Balance Appropriated	-	2,920,718	-	(2,920,718)
Total other financing sources (uses)	<u>-</u>	<u>3,466,921</u>	<u>546,203</u>	<u>(2,920,718)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	1,057,240	<u>\$ 1,057,240</u>
<b>Fund Balance - Beginning</b>			14,034,297	
<b>Change in reserve for inventories</b>			<u>14,327</u>	
<b>Fund Balance - Ending</b>			<u>\$ 15,105,864</u>	

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

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Fund Net Position**

**Proprietary Funds**

**June 30, 2024**

Exhibit 6

	Enterprise Funds			Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Assets</b>				
Current assets:				
Cash and Cash Equivalents	\$ 2,529,325	\$ 3,592,708	\$ 6,122,033	\$ 228,278
Receivables (net):				
Accounts and Notes	859,238	1,582,135	2,441,373	-
Inventories	183,856	49,265	233,121	50,391
Prepaid Items	-	-	-	-
Restricted Cash	1,745,809	-	1,745,809	-
Total Current assets	<u>5,318,228</u>	<u>5,224,108</u>	<u>10,542,336</u>	<u>278,669</u>
Noncurrent assets:				
Capital Assets:				
Land and Construction in Progress	1,693,878	4,928,831	6,622,709	-
Other Capital Assets, net of Depreciation	19,845,017	28,016,865	47,861,882	-
Total Capital Assets	<u>21,538,895</u>	<u>32,945,696</u>	<u>54,484,591</u>	<u>-</u>
Total noncurrent assets	<u>21,538,895</u>	<u>32,945,696</u>	<u>54,484,591</u>	<u>-</u>
Total assets	<u>26,857,123</u>	<u>38,169,804</u>	<u>65,026,927</u>	<u>278,669</u>
<b>Deferred Outflows of Resources</b>				
Pension Deferrals	308,285	416,115	724,400	-
OPEB Deferrals	85,476	92,009	177,485	23,002
Total deferred outflows of resources	<u>393,761</u>	<u>508,124</u>	<u>901,885</u>	<u>23,002</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	231,963	777,775	1,009,738	33,161
Customer Deposits	19,675	58,308	77,983	-
Current Portion of Long-Term Obligations	626,015	764,552	1,390,567	-
Total current liabilities	<u>877,653</u>	<u>1,600,635</u>	<u>2,478,288</u>	<u>33,161</u>
Noncurrent liabilities:				
LGERS Net Pension Liability	502,251	677,924	1,180,175	-
Total OPEB Liability	536,743	670,929	1,207,672	167,732
Long-Term Obligations	5,841,171	7,675,558	13,516,729	11,346
Total noncurrent liabilities	<u>6,880,165</u>	<u>9,024,411</u>	<u>15,904,576</u>	<u>179,078</u>
Total liabilities	<u>7,757,818</u>	<u>10,625,046</u>	<u>18,382,864</u>	<u>212,239</u>
<b>Deferred Inflows of Resources</b>				
Pension Deferrals	3,186	4,301	7,487	-
OPEB Deferrals	194,970	243,713	438,683	60,928
Total deferred inflows of resources	<u>198,156</u>	<u>248,014</u>	<u>446,170</u>	<u>60,928</u>
<b>Net Position</b>				
Net Investment in Capital Assets	16,860,167	24,592,339	41,452,506	-
Unrestricted	2,434,743	3,212,529	5,647,272	28,504
Total net position	<u>\$ 19,294,910</u>	<u>\$ 27,804,868</u>	<u>\$ 47,099,778</u>	<u>\$ 28,504</u>

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

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Funds**

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

Exhibit 7

	Enterprise Funds			Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Operating revenues</b>				
Water Sales	\$ 4,210,009	\$ -	\$ 4,210,009	\$ -
Water and Sewer Assessments, Surcharges, and Penalties	358,372	65,282	423,654	-
Sewer Charges	-	5,190,667	5,190,667	-
Water and Sewer Taps, Calibrations and Fees	85,317	18,700	104,017	-
Charges for Services	-	-	-	1,251,919
Other Miscellaneous Income	2,452	-	2,452	-
Total operating revenues	<u>4,656,150</u>	<u>5,274,649</u>	<u>9,930,799</u>	<u>1,251,919</u>
<b>Operating expenses</b>				
Administration and Finance	1,026,844	1,692,923	2,719,767	-
Water Treatment and Distribution	3,023,983	-	3,023,983	-
Waste Collection and Treatment	-	2,933,492	2,933,492	-
Depreciation	909,424	1,117,998	2,027,422	-
Cost of Sales and Services	-	-	-	1,252,259
Total operating expenses	<u>4,960,251</u>	<u>5,744,413</u>	<u>10,704,664</u>	<u>1,252,259</u>
<b>Operating income (loss)</b>	<u>(304,101)</u>	<u>(469,764)</u>	<u>(773,865)</u>	<u>(340)</u>
<b>Nonoperating revenue (expense)</b>				
Interest Earned on Investments	180,658	183,738	364,396	-
Capital Project Grants	121,973	821,075	943,048	-
Interest and Fees on Long-Term Debt	<u>(206,251)</u>	<u>(31,450)</u>	<u>(237,701)</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>96,380</u>	<u>973,363</u>	<u>1,069,743</u>	<u>-</u>
<b>Income before contributions and transfers</b>	<u>(207,721)</u>	<u>503,599</u>	<u>295,878</u>	<u>(340)</u>
Transfers In	100,700	228,000	328,700	5,700
Transfers Out	<u>(228,000)</u>	<u>(100,700)</u>	<u>(328,700)</u>	<u>-</u>
<b>Change in net position</b>	<u>(335,021)</u>	<u>630,899</u>	<u>295,878</u>	<u>5,360</u>
<b>Total net position - beginning</b>	<u>19,629,931</u>	<u>27,173,969</u>	<u>46,803,900</u>	<u>23,144</u>
<b>Total net position - ending</b>	<u>\$ 19,294,910</u>	<u>\$ 27,804,868</u>	<u>\$ 47,099,778</u>	<u>\$ 28,504</u>

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



**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024**

Exhibit 8

	<b>Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>	
<b>Operating activities</b>				
Cash Received from Customers	\$ 4,539,932	\$ 4,483,670	\$ 9,023,602	\$ 1,251,919
Cash Paid to Employees	(1,788,400)	(2,164,755)	(3,953,155)	(268,560)
Cash Paid for Goods and Services	(2,112,477)	(1,874,753)	(3,987,230)	(963,834)
Miscellaneous Revenue	2,451	-	2,451	-
<b>Net cash provided by operating activities</b>	<b>641,506</b>	<b>444,162</b>	<b>1,085,668</b>	<b>19,525</b>
<b>Noncapital financing activities</b>				
Transfers In	100,700	228,000	328,700	5,700
Transfers Out	(228,000)	(100,700)	(328,700)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(127,300)</b>	<b>127,300</b>	<b>-</b>	<b>5,700</b>
<b>Capital and related financing activities</b>				
Acquisition and Construction of Capital Assets	(287,499)	(2,682,397)	(2,969,896)	-
Capital Grants	121,973	821,075	943,048	-
Principal Paid on Capital Debt	(601,738)	(753,889)	(1,355,627)	-
Interest Paid on Capital Debt	(206,251)	(31,450)	(237,701)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(973,515)</b>	<b>(2,646,661)</b>	<b>(3,620,176)</b>	<b>-</b>
<b>Investing activities</b>				
Investment Earnings	180,658	183,738	364,396	-
<b>Net cash provided by investing activities</b>	<b>180,658</b>	<b>183,738</b>	<b>364,396</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(278,651)</b>	<b>(1,891,461)</b>	<b>(2,170,112)</b>	<b>25,225</b>
<b>Cash and cash equivalents</b>				
<b>Beginning of year</b>	<b>4,553,785</b>	<b>5,484,169</b>	<b>10,037,954</b>	<b>203,053</b>
<b>End of year</b>	<b>\$ 4,275,134</b>	<b>\$ 3,592,708</b>	<b>\$ 7,867,842</b>	<b>\$ 228,278</b>

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

(Continued)

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024**

Exhibit 8  
(Continued)

	Enterprise Funds			Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Reconciliation of operating loss to net cash provided by operating activities</b>				
Operating loss	\$ (304,101)	\$ (469,764)	\$ (773,865)	\$ (340)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and Amortization	909,424	1,117,998	2,027,422	-
Decrease in deferred outflows of resources for pensions	(29,618)	(23,533)	(53,151)	-
Increase (decrease) in OPEB Deferrals	(6,811)	1,180	(5,631)	(4,582)
Change in assets and liabilities:				
Increase in Accounts and Notes Receivable	(116,691)	(792,627)	(909,318)	-
(Increase) decrease in Inventories	2,924	(10,023)	(7,099)	2,512
Increase in Prepaid Expenses	12,941	22,885	35,826	2,569
Increase in Accounts Payable and Accrued Liabilities and Compensated Absences	45,854	517,536	563,390	19,071
Increase in Customer Deposits	2,925	1,648	4,573	-
Decrease in Net Pension Obligation	90,227	97,191	187,418	-
Increase (decrease) in OPEB Obligation	34,432	(18,329)	16,103	295
Total adjustments	<u>945,607</u>	<u>913,926</u>	<u>1,859,533</u>	<u>19,865</u>
<b>Net cash provided by operating activities</b>	<u>\$ 641,506</u>	<u>\$ 444,162</u>	<u>\$ 1,085,668</u>	<u>\$ 19,525</u>

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

# CITY OF REIDSVILLE, NORTH CAROLINA

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

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Reidsville (the "City") and its discretely presented component unit conform to accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America, 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 Reidsville 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 and other designated entities. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Reidsville ABC Board, 102 Durwood Court, Reidsville, NC 27320.

#### B. BASIS OF PRESENTATION

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government (the City) 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. 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.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, and various other taxes and licenses. The primary expenditures are for administration, public safety, street maintenance, and environmental protection.

American Rescue Plan Fund. This special revenue fund is used to account for the receipt of federal funds that will be used for various allowable future projects. Funds will be transferred from this fund as projects are approved.

The City reports the following non-major funds:

The following non-major special revenue and capital projects funds are used to account for specific revenues that are legally reserved to expenditure for particular purposes.

Downtown District Fund. This special revenue fund is used to account for the activity of the downtown district in the City.

Landfill Assessment Fund. This special revenue fund is used to account for a grant funded assessment of a former landfill site.

Lake Reidsville Improvements Project Fund. This capital project fund is used to account for the engineering, site work, and construction of a sewer line at the City's Lake park and campground. This project is financed with debt proceeds.

Streetscape Improvements Project Fund. This capital project fund is used to account for improvements to City's downtown central business district streetscape. This project is being funded with American Rescue Plan funds.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

Senior Center Project Fund. This capital project fund is used to account for the construction of a senior center. This project is being funded with a USDA loan and a fundraising campaign.

Splashpad Project Fund. This capital project fund is used to account for the construction of a splashpad. This project is being funded with American Rescue Plan funds and transfers from the General Fund.

Depot Shelter Project Fund. This capital project fund is used to account for the construction of an picnic outdoor shelter in the City's downtown. This project is being funded with American Rescue Plan funds.

Reidsville Industrial Park Project Fund. This capital project fund is used to account for the engineering, site work and construction of an industrial park. This project is financed with federal and local intergovernmental grants and by transfers from the Water and Sewer Funds.

CDBG Neighborhood Revitalization Fund. This special revenue fund is used to account for grant funded home revitalization and community facility improvements. This project is financed primarily with a federal grant with an additional transfer from the General Fund.

CDBG Coronavirus Penn House Project Fund. This capital project fund is used to account for an expansion at the City's Penn House event center. This project is financed with grant proceeds directed at mitigating pandemic related issues.

The City reports the following major enterprise fund:

Combined Enterprise Fund. This fund accounts for the City's water and sewer operations. While the budget is adopted at this combined fund level, the Water and Sewer funds are maintained separately for record keeping and reporting purposes.

Water Fund. This fund accounts for the City's water operations. The Water Treatment Plant Improvement Capital Project Fund, the Water Treatment Plant Generator Capital Project Fund, and the Redundant Water Line Capital Project Fund are consolidated with the Water Fund for reporting purposes. This fund is used to account for improvements being funded by the issuance of combined enterprise system revenue bonds.

Sewer Fund. This fund accounts for the City's sewer operations. The Wastewater Treatment Plant Improvements Capital Project Fund, the Unifi Sewer Line Improvement Capital Project Fund, the Wastewater Treatment Plant BNR Capital Project Fund, the Rural Ready Site Capital Project Fund, the CDBG Infrastructure Capital Project Fund, the Wastewater Treatment Plant Headworks Improvements Capital Project Fund, and the Annie Penn Outfall Capital Project Fund are consolidated with the Sewer Fund for reporting purposes. These funds are used to account for improvements being funded by the issuance of a State loans and Federal and State grants.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

The City also reports the following other proprietary fund types:

Internal Service Fund. Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City has two Internal Service Funds: the Central Garage Fund, which maintains and repairs the numerous vehicles owned by the City, and the Insurance Fund, which accumulates and pays general insurance costs for the City.

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

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

*Government-wide and Proprietary Financial Statements.* Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, 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, entitlements, 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to reduce 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 on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchase 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. The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Rockingham 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. Grant advances which are unearned at year-end are recorded as unearned revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

#### D. BUDGETARY DATA.

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Downtown District Special Revenue Fund, and the Enterprise Funds collectively as the City's Combined Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Capital Project Funds, including the Water Fund Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The City Manager is authorized to transfer appropriations within a fund provided that such transfers are reported to the City Council at its next regularly scheduled meeting; however, any revisions that alter the total expenditures of any fund must be approved by the Council. During the year, several amendments to the original budget were necessary.

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of that budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 - Each department head will transmit to the budget officer the budget requests and the revenue estimates for their department for the budget year.
- June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget shall be scheduled at this time.
- July 1 - The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the City maintains encumbrance accounts which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Encumbrances are included in the Stabilization by State Statute calculation and are shown in Note III.B.10.

Also as required by State law, the City's Central Garage Fund and City's Insurance Fund intra-governmental service funds, operate under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved. The financial plan also was entered into the minutes of the governing board. During the year, several changes to the original financial plan were necessary, the effects of which were not material.



CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Deposits and Investments

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

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

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

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 (level 1) are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

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

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Restricted Assets

The unexpended bond proceeds totaling \$1,745,809 from Combined Enterprise Fund revenue bonds issued by the City are classified as restricted assets for the enterprise funds because their use is completely restricted to the purpose for which the bonds were originally issued.

Funds for a rehab grant loan program totaling \$27,684 in the Downtown District Fund available to be loaned out at year-end are reported as restricted assets in the governmental funds.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023.

5. Allowances for Doubtful Accounts

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

6. Inventory 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 recognized as expenditures 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 of Activities the cost of these inventories is expensed as the items are used.

The inventories of the City's Enterprise Funds, the Central Garage Internal Service Fund and those of the City of Reidsville ABC Board consist of materials and supplies held for subsequent use. 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 government-wide and fund financial statements and expensed as items are used.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

#### 7. Capital Assets

Capital assets are reported as assets in the government-wide statements and by the proprietary fund types in the fund financial statements and 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 all asset categories. Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and 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' useful lives are not capitalized. Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

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 right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	10-50 years
Buildings	10-50 years
Improvements	10-50 years
Equipment	5-20 years
Vehicles	5-10 years
Office Equipment	5-20 years

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	39 years
Equipment	5-20 years
Building Improvements	15 years
Land Improvements	15 years

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

#### 8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. 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 a future period and so will not be recognized as revenue until then.

#### 9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs are expensed in the reporting period in which they are incurred. See note III.B.8.

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

#### 10. Compensated Absences

The vacation policy of the City provides for the accumulation of up to twenty-five days and the ABC Board provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. The City has assumed a first-in, first-out method of using accumulated compensated absence time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's liability for accumulated earned vacation and the salary-related payments for governmental funds are recorded in the Governmental activities in the government-wide financial statements. For the City's Enterprise Funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded within the fund and government-wide financial statements as the leave is earned.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

Both the City's and the ABC Board's sick leave policies provide 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. As neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the City or its component unit.

#### 11. Net Position/Fund Balances

##### **Net Position**

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

##### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**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.

**Lease Receivable, net** – portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

**Prepaid Items** – portion of fund balance that is not an available resource because it represents future expenses that have already been paid, which are not spendable resources.

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

**Restricted for Stabilization by State Statute** - 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

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute".

*Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.*

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for specific public safety items.

Restricted for Streets – portion of fund balance that is restricted by revenue source for street maintenance related items.

Restricted for Debt Service – portion of fund balance that is restricted for the current portion due to the USDA by financing agreements.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City Council (the highest level of decision-making authority). The City Council 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 to LEO Special Separation Allowance – portion of fund balance that is allocated to paying law enforcement officer special separation allowance benefits.

Committed to Capital Projects – portion of fund balance in in the General Fund and Capital Project funds that have been allocated by the City Council for specific construction projects.

Committed to the Downtown District – portion of fund balance in the General Fund and the Downtown District Special Revenue Fund that has been allocated by the City Council for downtown district improvements and events.

Committed to Neighborhood Revitalization – portion of fund balance in Special Revenue funds that have been allocated by the City Council for specific projects.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the General Fund, negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

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.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension asset or 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's employer contributions are recognized when due and the City 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.

The City participates in one other postemployment benefit plan (OPEB), for health insurance (the Plan). The City currently finances the Plan following a pay-as-you-go approach, paying an amount each year equal to premiums related to the coverage. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The City also administers a single-employer defined benefit pension plan that provides retirement benefits to the City's sworn law enforcement. This Law Enforcement Special Separation Allowance (LEOSSA) Plan is consolidated with the General Fund for reporting in compliance with GASB Statement No. 73 as it is not a defined trust. The full accrual impacts of the pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense are captured on the government-side statements.



CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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II. NEW PRONOUNCEMENTS

The GASB has issued several pronouncements that have effective dates which may impact future financial presentations. Management is evaluating what, if any, impact implementation of the following may have on the financial statements of the City.

Statement No. 101, *Compensated Absences*, issued in June 2022 with an effective date for reporting periods beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, issued in December 2023 with an effective date for reporting periods beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024 with an effective date for reporting periods beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, issued in September 2024 with an effective date for reporting periods beginning after June 15, 2025.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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### III. DETAIL NOTES ON ALL FUNDS

#### A. ASSETS.

##### 1. Deposits

All the 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 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 and the ABC Board have no policy regarding custodial credit risk for deposits, but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City and ABC Board comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the City's deposits had a carrying amount of \$10,830,298 and a bank balance of \$11,325,920. The carrying amount of deposits for the ABC Board was \$623,008 and the bank balance was \$742,614. The bank balances of the City were covered by federal depository insurance for \$666,717 and the remainder of \$10,659,203 was covered by collateral held under the Pooling Method. All of the bank balances of the ABC Board were covered by federal depository insurance, the pooling or dedicated method. At June 30, 2024, the City's petty cash fund totaled \$1,600.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

2. Investments

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

Investment Type	Valuation Measurement Method	Book Value	Maturity	Rating
NCCMT - Government Portfolio	Fair Value Level 1	\$ 11,508,301	N/A	AAAm
Total		<u>\$ 11,508,301</u>		

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 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*Interest Rate Risk:* The City implemented an investment policy on July 13, 2005. As a means of limiting the City's exposure to declines in fair values from rising interest rates, the City limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's purchases of securities are laddered with staggered maturity dates and limit all securities to a final maturity of no more than five years.

*Credit Risk:* The investment policy requires that the City minimize credit risk by limiting investments to those described as allowable in the GFOA Policy Statement on State and Local Laws Concerning Investment Practices. The City's investments in the NCCMT Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2024.

*Custodial Credit Risk:* Custodial credit risk is the risk that the City will not be able to recover the value of its investments that are in the possession of its safekeeping custodian. To minimize this risk, the City requires all negotiable instruments to be held in the City's name in safekeeping by a third-party custodian independent of all counterparties.

*Concentration of Credit Risk:* The City has no explicit limit on the amount that can be invested in any one issuer; however, the investment portfolio is required to be diversified so the impact of potential losses from any one type of security from any one individual issuer will be minimized.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

3. Receivables

a. Allowance for Doubtful Accounts

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2024 in the City's individual funds as follows:

	General Fund	Water Fund	Sewer Fund	Total
Allowance for uncollectible accounts on:				
Property taxes	\$ 184,162	\$ -	\$ -	\$ 184,162
Service fees	-	2,992	2,624	5,616
	<u>\$ 184,162</u>	<u>\$ 2,992</u>	<u>\$ 2,624</u>	<u>\$ 189,778</u>

b. Long-Term Notes Receivable

In prior fiscal years, the City received grant funds from the USDA that allowed the creation of a revitalization loan program. The grant funds totaled \$150,000. The City Council established a loan committee that analyzes and approves loan applications from local businesses. When monthly loan payments are made by the borrowers, the funds are retained to be loaned out to other borrowers. At June 30, 2024, ten loans were outstanding. The current balance of these loans, \$122,316, has been recorded in the Downtown District Special Revenue Fund. The total amount of the loans has been reserved. In addition \$27,684 related to the program is being reported as restricted cash and unearned revenue in that this amount is available only for future loans.

c. Accounts, Notes and Grants

Accounts, notes and grants receivable are comprised of the following:

	General Fund	Water Fund	Sewer Fund	Other Funds	Total
Accounts	\$ 4,114,290	\$ 542,865	\$ 697,173	\$ 2,958	\$ 5,357,286
Notes	-	-	-	122,316	122,316
Lease	162,745	-	-	-	162,745
Grants	-	316,373	884,962	57,878	1,259,213
	<u>\$ 4,277,035</u>	<u>\$ 859,238</u>	<u>\$ 1,582,135</u>	<u>\$ 183,152</u>	<u>\$ 6,901,560</u>

In July 2017, the City entered into a lease with a local nonprofit that provides an adult daycare in part of the City's Senior Center. Under the lease, they pay the City \$4,769 per month for 120 months in exchange for use of the facility. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.5%, which is the rate stated in the agreement.

In fiscal year 2024, the City recognized \$52,428 of lease revenue and \$6,660 of interest revenue under the lease.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

4. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Transfers and Other Adjustments	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,313,922	\$ 72,430	\$ -	\$ -	\$ 2,386,352
Construction in progress	1,124,430	2,665,042	-	(3,764,145)	25,327
Total capital assets not being depreciated	3,438,352	2,737,472	-	(3,764,145)	2,411,679
Capital assets being depreciated:					
Buildings	17,558,074	-	-	3,466,460	21,024,534
Infrastructure	39,199,144	84,853	-	297,685	39,581,682
Other Improvements	12,318,599	490,197	-	-	12,808,796
Vehicles and Equipment	15,274,678	1,069,951	(837,762)	-	15,506,867
Total capital assets being depreciated	84,350,495	1,645,001	(837,762)	3,764,145	88,921,879
Less accumulated depreciation for:					
Buildings	6,000,059	410,788	-	-	6,410,847
Infrastructure	33,152,634	375,986	-	-	33,528,620
Other Improvements	5,885,432	374,277	-	-	6,259,709
Vehicles and Equipment	11,454,487	901,029	(824,095)	-	11,531,421
Total accumulated depreciation	56,492,612	2,062,080	(824,095)	-	57,730,597
Total capital assets being depreciated, net	27,857,883	(417,079)	(13,667)	3,764,145	31,191,282
Capital assets being amortized:					
IT Subscriptions	51,618	151,903	-	-	203,521
Less accumulated amortization for:					
IT Subscriptions	30,110	46,742	-	-	76,852
Total capital assets being amortized, net	21,508	105,161	-	-	126,669
Governmental activities capital assets, net	\$ 31,317,743	\$ 2,425,554	\$ (13,667)	\$ -	\$ 33,729,630

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

General Government	\$ 192,128
Public Safety	535,592
Transportation	588,126
Environmental Protection	210,096
Cultural and Recreational	523,203
Economic and Physical Development	12,935
<b>Total depreciation expense</b>	<b>\$ 2,062,080</b>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

The following is a summary of the City's business-type capital assets:

	Beginning Balances	Increases	Decreases	Transfers and Other Adjustments	Ending Balances
Business-type activities:					
Water Fund					
Capital assets not being depreciated:					
Land	\$ 1,090,453	\$ -	\$ -	\$ -	\$ 1,090,453
Construction in progress	398,675	204,750	-	-	603,425
Total capital assets not being depreciated	1,489,128	204,750	-	-	1,693,878
Capital assets being depreciated:					
Plants and distribution systems	38,834,263	82,748	-	-	38,917,011
Equipment	702,717	-	(18,574)	-	684,143
Vehicles	1,280,856	-	(83,372)	-	1,197,484
Total capital assets being depreciated	40,817,836	82,748	(101,946)	-	40,798,638
Less accumulated depreciation for:					
Plants and distribution systems	18,882,227	771,331	(10,333)	-	19,643,225
Equipment	391,307	50,368	(8,241)	-	433,434
Vehicles	872,609	87,725	(83,372)	-	876,962
Total accumulated depreciation	20,146,143	909,424	(101,946)	-	20,953,621
Total capital assets being depreciated, net	20,671,693				19,845,017
Water Fund capital assets, net	22,160,821				21,538,895
Sewer Fund					
Capital assets not being depreciated:					
Land	201,473	-	-	-	201,473
Construction in progress	3,277,746	2,657,746	-	(1,208,134)	4,727,358
Total capital assets not being depreciated	3,479,219	2,657,746	-	(1,208,134)	4,928,831
Capital assets being depreciated:					
Plants and distribution systems	49,016,109	-	-	1,208,134	50,224,243
Equipment	1,565,212	24,648	-	-	1,589,860
Vehicles	289,033	-	(11,670)	-	277,363
Total capital assets being depreciated	50,870,354	24,648	(11,670)	1,208,134	52,091,466
Less accumulated depreciation for:					
Plants and distribution systems	21,580,475	1,065,373	-	-	22,645,848
Equipment	1,098,765	52,625	-	-	1,151,390
Vehicles	289,033	-	(11,670)	-	277,363
Total accumulated depreciation	22,968,273	\$ 1,117,998	\$ (11,670)	\$ -	24,074,601
Total capital assets being depreciated, net	27,902,081				28,016,865
Sewer Fund capital assets, net	31,381,300				32,945,696
Business-type activities capital assets, net	\$ 53,542,121				\$ 54,484,591

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

Construction contracts exist for various renovation and construction projects for the City. At June 30, 2024, there were commitments of \$4,345,942 on these contracts.

**Discretely Presented Component Unit**

The following is a summary of the ABC Board's business-type capital assets:

	Beginning Balances	Increases	Decreases and adjustments	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 445,410	\$ -	\$ -	\$ 445,410
Total capital assets not being depreciated	445,410	-	-	445,410
Capital assets being depreciated:				
Buildings and building improvements	1,195,003	-	-	1,195,003
Office and store equipment	194,435	-	-	194,435
Total capital assets being depreciated	1,389,438	-	-	1,389,438
Less accumulated depreciation for:				
Building and building improvements	299,637	9,201	-	308,838
Office and store equipment	65,845	2,804	-	68,649
Total accumulated depreciation	365,482	\$ 12,005	\$ -	377,487
Total capital assets being depreciated, net	1,023,956			1,011,951
Business-type activities capital assets, net	<u>\$ 1,469,366</u>			<u>\$ 1,457,361</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

B. LIABILITIES.

1. Payables at June 30, 2024, were as follows:

	Government-wide Financial Statements						
	Fund Financial Statements					Adjustments to	
	General Fund	Non-Major Funds	Water Fund	Sewer Fund	Total	Full-Accrual	Total
Payables:							
Accounts and vouchers	\$ 634,448	\$ 49,171	\$ 137,483	\$ 734,666	\$ 1,555,768	\$ 25,667	\$ 1,581,435
Accrued payroll and related liabilities	329,152	-	27,041	32,686	388,879	7,494	396,373
Accrued interest payable	-	-	67,439	10,423	77,862	72,748	150,610
Other	23,573	-	-	-	23,573	-	23,573
Total Accounts Payable and Accrued Liabilities	\$ 987,173	\$ 49,171	\$ 231,963	\$ 777,775	\$ 2,046,082	\$ 105,909	\$ 2,151,991

Adjustments to full-accrual are primarily related to internal service funds. Internal service funds predominately serve the governmental funds. Accordingly, the accounts payable and accrued liability balances for the internal service funds are included in governmental-activities on the accompanying government-wide financial statement.

**Discretely Presented Component Unit**

Payables at June 30, 2024, were as follows:

Payables:	
Accounts and vouchers	\$ 88,763
Accrued payroll and related liabilities	46,173
Distributions payable	35,907
Other	53,676
Total Accounts Payable and Accrued Liabilities	<u>\$ 224,519</u>



# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

#### 2. Pension Plan and Postemployment Obligations

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

*Plan Description.* The City and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 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. LGERS is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27669-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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IV. DETAIL NOTES ON ALL FUNDS (continued)

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 and ABC Board 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 14.04% of compensation for law enforcement officers and 12.92% for general employees and firefighters. The ABC Board's contractually required contribution rate for the year ended June 30, 2024 was 12.92% of compensation. These rates were 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 were \$1,365,178 for the year ended June 30, 2024. Contributions to the pension plan from the ABC Board were \$39,287 for the year ended June 30, 2024.

*Refunds of Contributions* – City and ABC Board 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.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

***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 \$7,414,082 for its proportionate share of the net pension liability; the ABC Board reported a liability of \$170,412 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 and ABC Board's proportion of the net pension liability was based on a projection of the City's and ABC Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the City's proportion was 0.11194%, which was an decrease of 0.00258% from its proportion measured as of June 30, 2022; the ABC Board's proportion was 0.00257%, which was a decrease of 0.00003% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$2,134,472. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 826,149	\$ 17,788
Changes of assumptions	315,056	-
Net difference between projected and actual earnings on pension plan investments	1,984,333	-
Changes in proportion and differences between City contributions and proportionate share of contributions	60,097	29,241
City contributions subsequent to the measurement date	1,365,178	-
Total	<u>\$ 4,550,813</u>	<u>\$ 47,029</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

\$1,365,178 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Fiscal year ended June 30:**

2025	\$ 1,131,364
2026	596,104
2027	1,327,231
2028	<u>83,907</u>
	<u>\$ 3,138,606</u>

For the year ended June 30, 2024, the ABC Board recognized pension expense of \$62,986. At June 30, 2024, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,989	\$ 409
Change of assumptions	7,242	-
Net difference between projected and actual earnings on pension plan investments	45,610	-
Changes in proportion and differences between City contributions and proportionate share of contributions	21,719	-
ABC Board contributions subsequent to the measurement date	<u>39,287</u>	<u>-</u>
Total	<u>\$ 132,847</u>	<u>\$ 409</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

\$39,287 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2025	\$ 37,585
2026	20,111
2027	33,525
2028	<u>1,929</u>
	<u>\$ 93,150</u>

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

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

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with an investment consulting firm's 2022 long term capital market assumptions. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized figures. Source data provided in the 2023 Annual Comprehensive Financial Report published on website of the NC Office of State Controller.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's and ABC Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the City's and ABC Board's proportionate shares of the net pension liability calculated using the discount rate of 6.50%, as well as what the City's and ABC Board's proportionate shares 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%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 12,844,606	\$ 7,414,082	\$ 2,943,166
	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
ABC Board's proportionate share of the net pension liability (asset)	\$ 295,232	\$ 170,412	\$ 67,648

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

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

b. Law Enforcement Officers' Special Separation Allowance.

*Plan Description.* The City administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	6
Active plan members	<u>50</u>
Total	<u><u>56</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 are recognized when due and payable in accordance with the terms of the plan.

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

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

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

The discount rate is based on the S&P Municipal Bond 20 year High Grade Rate Index determined at the end of each month.

Mortality rates are based on Pub-2010 amount-weighted mortality tables with projections based on using the Mortality Improvement Scale MP-2019.



CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

*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 \$114,274 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 liability of \$2,248,192. The total pension liability was on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$273,093.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 171,810	\$ -
Changes of assumptions	207,143	244,364
City benefit payments made subsequent to the measurement date	57,140	-
Total	<u>\$ 436,093</u>	<u>\$ 244,364</u>

\$57,140 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Fiscal year ended June 30:**

2025	\$ 103,494
2026	58,978
2027	(29,125)
2028	(14,720)
2029	<u>15,962</u>
	<u>\$ 134,589</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

*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%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

	<b>1% Decrease (3.00%)</b>	<b>Discount Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
Total pension liability	\$ 2,423,612	\$ 2,248,192	\$ 2,088,476

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

Beginning balance	\$ 2,063,439
Service cost	82,141
Interest	86,728
Difference between expected and actual experience	70,489
Changes of assumptions or other inputs	47,793
Benefit payments	<u>(102,398)</u>
Ending balance of the total pension liability	<u><u>\$ 2,248,192</u></u>

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

The actuarial assumptions used on the December 31, 2022 valuation were based on the results of an actuarial experience study for the 5-year period January 1, 2015 through December 31, 2019.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 2,134,472	\$ 273,093	\$ 2,407,565
Pension Liability	7,414,082	2,248,192	9,662,274
Proportionate share of the net pension liability	0.11194%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	826,149	171,810	997,959
Changes of assumptions	315,056	207,143	522,199
Net difference between projected and actual earnings on plan investments	1,984,333	-	1,984,333
Changes in proportion and differences between contributions and proportionate share of contributions	60,097	-	60,097
City contributions subsequent to the measurement date	1,365,178	-	1,365,178
Benefit payments and administrative costs paid subsequent to the measurement date	-	57,140	57,140
Total	<u>4,550,813</u>	<u>436,093</u>	<u>4,986,906</u>
Deferred of Inflows of Resources			
Differences between expected and actual experience	17,788	-	17,788
Changes of assumptions	-	244,364	244,364
Changes in proportion and differences between contributions and proportionate share of contributions	29,241	-	29,241
Total	<u>47,029</u>	<u>244,364</u>	<u>291,393</u>

c. Supplemental Retirement Income Plans.

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to 5.00% of each law enforcement officer's salary. All amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2024, were \$187,119, which consisted of \$140,713 from the City and \$46,406 from the law enforcement officers.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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III. DETAIL NOTES ON ALL FUNDS (continued)

In addition, the City contributes each month an amount equal to 5.00% of salary for full-time employees not engaged in law enforcement, and all amounts contributed are vested immediately. Also, the employees not engaged in law enforcement may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024, were \$503,244, which consisted of \$368,391 from the City and \$134,853 from the full-time employees not engaged in law enforcement.

For the ABC Board plan, the Board has elected to contribute an amount equal to 5% of annual salary for each employee. Employees are eligible immediately upon becoming a voluntary contributing member. Contributions for the year ended June 30, 2024 were \$21,204, which consisted of \$15,204 from the Board and \$6,200 from the employees.

d. Firefighter's and Rescue Squad Workers' Pension Fund.

*Plan Description.* The State of North Carolina contributes, on behalf of the City, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 Firefighters' and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Firefighters' and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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III. DETAIL NOTES ON ALL FUNDS (continued)

*Contributions.* Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2024, the State contributed \$ to the plan. The City's proportionate share of the State's contribution is \$12,750.

*Refunds of Contributions* – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

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

At June 30, 2024, the City reported no asset for its proportionate share of the net pension asset, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension asset that was associated with the City and supported by the State was \$12,749. The net pension asset was measured as of June 30, 2023. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension asset 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 asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2024 and at June 30, 2023 was 0%.

For the year ended June 30, 2024, the City recognized pension expense of \$6,247 and revenue of \$6,247 for support provided by the State. At June 30, 2024, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Not applicable
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

#### e. Other Postemployment Benefits.

##### Healthcare Benefits

*Plan Description.* Under the terms of a City resolution, the City administers a single-employer defined benefit Healthcare Benefits Plan (the Plan). This plan provides postemployment healthcare benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have one of the following creditable services: at least 25 years, with the last 10 years having been served in the City; at least 30 years, with the last 10 years having been served in the City; or retired on disability with at least five years, with all time having been served with the City. Insurance coverage ends once the retiree reaches age 65 or becomes Medicare eligible, whichever comes first. The City pays the full cost of coverage for these benefits when the 30-year service requirement is met; the City pays 50% of the cost of coverage when the 25-year service requirement or the disability service requirement are met. The coverage is provided through the City's health insurance provider. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. The City Council may amend the benefit provisions. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

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

	General Employees	Law Enforcement Officers	Fire- Fighters	Total
Retirees and dependents receiving benefits	7	7	5	19
Active plan members	99	51	28	178
	106	58	33	197

**Total OPEB Liability**

The City's total OPEB liability of \$6,642,199 was measured as of June 30, 2023 and was determined by an actuarial valuation of June 30, 2023.

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

Inflation	2.50 percent
Salary increases	General: 3.25 – 8.41 percent Fire: 3.25 – 8.15 percent Law: 3.25 – 7.90 percent (all include inflation)
Discount rate	3.65 percent
Healthcare cost trend rates	7.00 percent decreasing to an ultimate rate of 4.50 percent by 2032

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

**Schedule of Changes in Total OPEB Liability**

Beginning balance	\$	6,496,562
Service cost		297,619
Interest		235,298
Differences between expected and actual experience		(19,790)
Changes in assumptions or other inputs		(70,242)
Benefit payments		(297,248)
	\$	6,642,199

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 2015 through December 31, 2019, adopted by the LGERS board.

*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:

	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$ 7,317,237	\$ 6,642,199	\$ 6,045,773

*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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 5,866,758	\$ 6,642,199	\$ 7,572,443

**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 \$301,964. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 130,234	\$ 1,870,124
Changes of assumptions	780,659	542,634
Benefit payments and administrative costs made subsequent to the measurement date	223,619	-
Total	<u>\$ 1,134,512</u>	<u>\$ 2,412,758</u>



CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

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III. DETAIL NOTES ON ALL FUNDS (continued)

\$223,619 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal year ended June 30:</b>	
2025	\$ (219,252)
2026	(307,820)
2027	(348,046)
2028	(370,396)
2029	(248,293)
Thereafter	<u>(8,058)</u>
	<u>\$ (1,501,865)</u>

f. Deferred Compensation Plan.

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. All transactions are administered by third party administrators and accordingly, Plan assets are not included in the City's financial statements.

3. Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment 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.

4. Unearned Revenues

The balance of unearned revenues in the government-wide financial statements at year-end is composed of the following elements:

	Unearned Revenue
Revenue Received in Advance (General Fund)	\$ 201,392
Revenue Received in Advance (ARPA Fund)	495,695
Revenue Received in Advance (Nonmajor Gov)	30,474
	<u>\$ 727,561</u>

5. Deferred Inflows of Resources

Deferred inflows of resources at year-end is composed of the following at the governmental fund level of reporting:

	Unavailable Revenue
Prepaid Taxes Not Yet Earned (General Fund)	\$ 34,198
Taxes Receivable (Net) (General Fund)	163,277
Taxes Receivable (Net) (General Fund MSD)	3,378
Assessments Receivable (General Fund)	20,383
Leases (General Fund)	157,284
Receivables Not Available (Nonmajor Gov)	122,441
Receivables Not Available (General Fund)	1,198,441
	<u>\$ 1,699,402</u>

Prepaid taxes and leases are considered to be deferred inflows of resources at the government-wide level of reporting while other unavailable revenues are recognized as revenues at the government-wide level of reporting.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

#### 6. Commitments

To encourage the redevelopment of certain aging facilities within the City, on two separate occasions the City acted as a conduit for redevelopment grant funds. To encourage the redeveloped properties to remain in service in the use for which they were intended, the City required non-interest bearing promissory notes in the original amount of \$250,000 from both RHS Limited Partnership and Beco Apartments Limited Partnership. Rather than requiring actual cash payments, the borrowers receive credit each year for one half of their timely paid City property taxes. These notes were entered into by the City in 1994 and 2001, respectively and mature in 2049 and 2040, respectively. The balance of the RHS Limited Partnership note at June 30, 2024 is \$132,785 and the balance of the Beco Apartments Limited Partnership is \$73,026. Due to the nature and limited recourse of these agreements, they are not recorded on the City's balance sheet.

#### 7. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits and employee health coverage. 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. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the 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.

Due to geographic low risk, the City has chosen not to carry flood insurance.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year. Settled claims have not materially exceeded 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; and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The ABC Board also has liquor legal liability coverage. Claims have not exceeded coverage in any of the past three fiscal years.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

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 bonded at \$1,000,000 and the tax collector is bonded at \$50,000. The remaining employees that have access to funds are bonded under a blanket bond.

#### 8. Long-Term Obligations

##### **a. Capital Financing.**

The City has entered into agreements to finance certain vehicles and equipment. The agreements qualify as installment debt for accounting purposes and, therefore, have been recorded at the present value of the future minimum payments as of the dates of inception. Capital financing outstanding at June 30, 2024, are comprised of the following individual agreements:

- 1) Executed on June 28, 2010 to purchase an 800 mhz radio equipment; requires 15 annual payments of \$48,304. The gross amount of the equipment acquired is \$532,400.
- 2) Executed on June 22, 2015 to purchase a fire truck requires 12 annual payments of \$63,160. The gross amount of the equipment acquired is \$657,000.
- 3) Executed on October 13, 2020 for improvements at Lake Reidsville requires 16 annual payments of \$64,718 and a final payment of \$30,813. The gross amount of the improvements is \$826,743.
- 4) Executed on September 20, 2021 to purchase a dump truck requires 7 annual payments of \$27,030. The gross amount of the equipment acquired is \$173,200.
- 5) Executed on September 20, 2021 to purchase a garbage truck requires 5 annual payments of \$29,195. The gross amount of the equipment acquired is \$145,000.
- 6) Executed on June 7, 2022 to purchase street and sanitation vehicles requires 5 annual payments of \$118,314. The gross amount of the equipment acquired is \$546,988.
- 7) Executed on June 1, 2022 to finance a salt barn requires one principal payment at closing of \$60,6754 and 4 annual payments of \$64,023. The gross amount of the asset acquired is \$310,000.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

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

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 374,597	\$ 40,148
2026	334,475	31,965
2027	277,692	24,726
2028	73,742	18,005
2029	75,725	16,022
2030-2034	268,914	54,676
2035-2039	210,047	14,068
	<u>\$ 1,615,192</u>	<u>\$ 199,610</u>

**b. General Obligation Indebtedness.**

At June 30, 2024, the City had a legal debt margin of \$98,485,543.

**c. Notes Payable.**

The first note payable shown in the Sewer Fund is a loan from the State of North Carolina for the construction of improvements to the City's wastewater treatment plant. The total available loan was \$14,737,460, of which \$13,332,540 was originally borrowed and \$7,332,894 remains outstanding. The promissory note requires equal annual payments over 20 years with no interest beginning in 2015 and running through 2035. The annual payment for the year ended June 30, 2024 was \$666,627, which consisted of \$666,627 principal and no interest.

Three additional notes payable for Enterprise Fund improvement projects have been approved from the State of North Carolina. The total available loans are \$18,695,082, of which nothing was borrowed as of June 30, 2024 because the projects are in early stages of progress. The promissory notes each require equal annual payments over 20 years with interest ranging from 0.00% to 0.18%, beginning in the year of expected project completion. There was no payment for the year ended June 30, 2024. The debt service below contains no future payments because there were no funds actually borrowed as of June 30, 2024.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

The City executed a second note payable on December 28, 2016 with the USDA for the long-term financing of the Senior Center Capital Project. A total of \$5,080,000 was originally borrowed. The note requires annual payments of \$198,171 including interest at 2.375% per annum through December 2057. The annual payment for the year ended June 30, 2024 of \$198,171, consisted of \$89,245 principal and \$108,926 of interest.

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 91,364	\$ 106,807	\$ 666,627	\$ -
2026	93,534	104,637	666,627	-
2027	95,756	102,415	666,627	-
2028	98,030	100,141	666,627	-
2029	100,358	97,813	666,627	-
2030-2034	538,696	453,159	3,333,135	-
2035-2039	605,777	385,078	666,624	-
2040-2044	681,212	309,643	-	-
2045-2049	766,041	224,814	-	-
2050-2054	861,433	129,422	-	-
2055-2057	564,921	26,981	-	-
	<u>\$ 4,497,122</u>	<u>\$ 2,040,910</u>	<u>\$ 7,332,894</u>	<u>\$ -</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

**d. Revenue Bonds.**

\$5,400,000 Combined Enterprise System Revenue Bonds, Series 2012, issued for improvements to the City's dam and spillway. Principal installments are due annually on March 1 with semiannual interest payments due on September 1 and March 1, at an annual interest rate of 3.25%. \$2,563,000

\$8,500,000 Combined Enterprise System Revenue Bonds, Series 2013, issued for improvements to the City's water plant and water and sewer lines. Principal installments are due annually on March 1 with semiannual interest payments due on September 1 and March 1, at an annual interest rate of 3.00%. \$4,882,000

Annual debt service requirements to maturity for the revenue bond are as follows:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 711,000	\$ 223,383
2026	733,000	201,143
2027	756,000	178,220
2028	779,000	154,568
2029	804,000	130,203
2030-2034	3,662,000	269,693
	<u>\$ 7,445,000</u>	<u>\$ 1,157,210</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

The City believes it has not been in compliance with the rate covenants in Section 704 of the Bond Order, authorizing the issuance of the Combined Enterprise System Revenue Bonds, series 2012 and series 2013. Section 704(a) of the Bond Orders requires the income available for debt service plus 15% of beginning unrestricted net position to be not less than 120% of the long-term debt service requirement for parity indebtedness; Section 704(b) of the Bond Orders requires the income available for debt service to be not less than long-term debt service requirement for parity and subordinated indebtedness and any general obligation debt serviced by the enterprise system. This covenant was not met for the fiscal year. The remedy for this covenant violation is to implement rate recommendations of an outside consultant. Information prepared by an outside consultant was used in the 2024-2025 budget process, resulting in a major utility rate increase. The rate covenant calculations for the year ended June 30, 2024, are as follows:

	Water Fund	Sewer Fund	Combined Enterprise System
Revenues	\$ 4,656,150	\$ 5,274,649	\$ 9,930,799
Current Expenses	4,050,827	4,626,415	8,677,242
Income Available for Debt Service	<u>\$ 605,323</u>	<u>\$ 648,234</u>	<u>\$ 1,253,557</u>
Section 704 (a) Covenant:			
Income Available for Debt Service	\$ 1,253,557		
15% of Unrestricted Net Position as of June 30, 2023	<u>1,147,424</u>		
Total	<u>\$ 2,400,981</u>		
Parity Debt Service	<u>\$ 934,383</u>		
Debt Service Coverage Ratio:	<u>256.96%</u>		
<hr/>			
Section 704 (b) Covenant:			
Income Available for Debt Service	<u>\$ 1,253,557</u>		
Parity Debt Service	\$ 934,383		
Subordinate Debt Service	666,627		
General Obligation Debt Service	<u>-</u>		
	<u>\$ 1,601,010</u>		
Debt Service Coverage Ratio:	<u>78.30%</u>		

In addition, the covenants of the bonds also require disclosure of the amounts on deposit with the trustee at year end. At June 30, 2024, deposits with the trustee total \$873,442 for the 2012 issue and \$944,185 for the 2013 issue.



CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

The City has pledged future combined enterprise system revenues, net of current expenses, to repay the revenue bonds issued in 2012 and 2013. Proceeds from the bonds provided financing for improvements to the spillway and at both the water treatment and wastewater treatment plants. The bonds are payable solely from water and sewer customer net revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require approximately 10% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,602,210. Principal and interest paid for the current year and total customer net revenues were \$933,940 and \$9,930,799, respectively.

**e. Long-term Obligation Activity.**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Current Portion of Balance</b>
Governmental activities:					
Note payable	\$ 4,586,367	\$ -	\$ 89,245	\$ 4,497,122	\$ 91,364
Capital financing	1,980,890	-	365,698	1,615,192	374,597
IT Subscription liabilities	-	151,903	50,634	101,269	50,634
Compensated absences	741,454	166,111	74,145	833,420	83,342
Total OPEB liability	5,324,502	110,025	-	5,434,527	-
LGERS net pension liability	5,467,806	766,101	-	6,233,907	-
Total LEO pension liability	2,063,439	184,753	-	2,248,192	-
<b>Total governmental activities</b>	<b>\$ 20,164,458</b>	<b>\$ 1,378,893</b>	<b>\$ 579,722</b>	<b>\$ 20,963,629</b>	<b>\$ 599,937</b>
Business-type activities:					
Revenue Bond	\$ 8,134,000	\$ -	\$ 689,000	\$ 7,445,000	\$ 711,000
Notes payable	7,999,521	-	666,627	7,332,894	666,627
Compensated absences	112,330	28,306	11,234	129,402	12,940
Total OPEB liability	1,172,060	35,612	-	1,207,672	-
LGERS net pension liability	992,757	187,418	-	1,180,175	-
<b>Total business-type activities</b>	<b>\$ 18,410,668</b>	<b>\$ 251,336</b>	<b>\$ 1,366,861</b>	<b>\$ 17,295,143</b>	<b>\$ 1,390,567</b>

Compensated absences, other postemployment benefits (OPEB), LGERS pension liability and Leo pension liability associated with governmental activities typically have been liquidated in the General Fund. Compensated absences, other postemployment benefits (OPEB) and LGERS pension liability associated with business-type activities typically have been liquidated in the Water and Sewer Funds.

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

9. Interfund Balances and Activity

**Transfers to/from Other Funds**

Transfers in (out) for the year ended June 30, 2024 are summarized below:

<b>Transfer Out</b>	<b>Capital Project Funds</b>	<b>General Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Garage Internal Service Fund</b>	<b>Total</b>
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 5,700	\$ 5,700
American Rescue Plan Fund	1,498,583	400,000	-	-	-	1,898,583
Water Fund	-	-	-	228,000	-	228,000
Sewer Fund	-	-	100,700	-	-	100,700
<b>Total</b>	<b>\$ 1,498,583</b>	<b>\$ 400,000</b>	<b>\$ 100,700</b>	<b>\$ 228,000</b>	<b>\$ 5,700</b>	<b>\$ 2,232,983</b>

The Transfer from the American Rescue Plan Fund to the General Fund and Capital Projects was to allocate for use of the funding. The transfer from the General Fund to the Garage Internal Service Fund was for a one-time payroll item. The transfers between the Water and Sewer funds are to compensate for overlapping use of resources.

10. Fund Balance

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

Total fund balance - General Fund	\$ 15,105,864
Less:	
Inventories	160,213
Prepays	29,503
Lease Receivable, Net	5,462
Stabilization by State Statute	4,361,951
Public Safety	37,344
Streets	160,883
LEO Special Separation Allowance	308,944
Downtown District	97,034
Capital Projects	550,000
Debt Service	246,475
Remaining Fund Balance	<u>\$ 9,148,055</u>

CITY OF REIDSVILLE, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(Continued)

III. DETAIL NOTES ON ALL FUNDS (continued)

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

Encumbrances	General Fund	Non-Major Funds
	\$ 1,667,877	\$ -

C. REVENUES, EXPENDITURES, AND EXPENSES

On-Behalf of Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2024, the City has recognized on-behalf of payments for pension contributions made by the State as a revenue and an expenditure of \$6,247 for the 28 employed firemen who perform firefighting duties for the City's fire department. The employees elected to be members of the Firemen's and Rescue Squad Worker's Pension Fund, a cost-sharing, multiple-employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

D. JOINTLY GOVERNED ORGANIZATION

The City, in conjunction with twelve counties and sixty other municipalities, established the Piedmont Triad Regional Council (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$7,717 to the Council during the fiscal year ended June 30, 2024.

E. JOINT VENTURES

The City, in conjunction with the Reidsville Community Pool Association and the Young Men's Christian Association of Reidsville, Inc. (YMCA) participate in a joint venture to construct and operate an enclosed swimming pool facility. Each of the participating organizations appoints three members of the nine member board of directors of the Pool Association. The City has an ongoing financial responsibility for the joint venture because it is legally obligated under the agreement that created the Pool Association to make an annual contribution to assist in the operation and maintenance of the facility. The City contributed \$79,742 to the Pool Association for operations and maintenance during the fiscal year ended June 30, 2024. The City does not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2024.

Complete financial statements for the Pool Association can be obtained from the Pool's administrative offices at 504 South Main Street, Reidsville, North Carolina 27320.

# CITY OF REIDSVILLE, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (Continued)

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

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

Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, NC 27603.

### F. RELATED ORGANIZATION

The five-member board of the Reidsville Housing Authority is appointed by the mayor of the City. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City is also disclosed as a related organization in the notes to the financial statements for the Reidsville Housing Authority. Complete financial statements for the Reidsville Housing Authority can be obtained from the Authority's office at 924 Third Avenue, Reidsville, NC 27320.

### G. 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.

### H. SUBSEQUENT EVENT

The City has evaluated events through November 27, 2024 in connection with preparation of these financial statements, which is the date the financial statements were ready to be issued.

## **CITY OF REIDSVILLE, NORTH CAROLINA**

### **Required Supplemental Financial Data**

**This section contains additional information required by accounting principles generally accepted in the United States of America.**

- **Proportionate Share of Net Pension Liability (Asset) - Local Government Employees' Retirement System**
- **Contributions – Local Government Employees' Retirement System**
  
- **Schedule of Changes in LEO Pension Liability – Law Enforcement Officers' Special Separation Allowance**
- **Schedule of Changes in LEO Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance**
  
- **Schedule of Changes in the Total OPEB Liability and Related Ratios**

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

Exhibit A-1

	Local Government Employees' Retirement System									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset) (%)	0.11194%	0.11452%	0.11258%	0.12029%	0.12121%	0.12834%	0.13005%	0.13190%	0.14008%	0.13319%
City's proportion of the net pension liability (asset) (\$)	\$ 7,414,082	\$6,460,563	\$1,726,522	\$4,298,474	\$3,310,151	\$3,044,664	\$1,986,804	\$2,799,360	\$ 628,670	\$ (785,481)
City's covered payroll	\$10,090,149	\$9,325,942	\$8,738,798	\$9,022,137	\$8,872,746	\$8,640,540	\$8,285,870	\$8,141,050	\$8,063,602	\$7,614,792
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.48%	69.28%	19.76%	47.64%	37.31%	35.24%	23.98%	34.39%	7.80%	( 10.32%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

City of Reidsville, North Carolina

Contributions  
Required Supplementary Information  
Last Ten Fiscal Years

Exhibit A-2

Local Government Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,365,178	\$ 1,254,075	\$1,094,083	\$ 919,101	\$ 842,182	\$ 685,215	\$ 642,828	\$ 624,546	\$ 560,939	\$ 577,385
Contributions in relation to the contractually required contribution	1,365,178	1,254,075	1,094,083	919,101	842,182	685,215	642,828	624,546	560,939	577,385
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$10,323,161	\$10,090,149	\$9,325,942	\$8,738,798	\$9,022,137	\$8,872,746	\$8,640,540	\$8,285,870	\$8,141,050	\$8,063,602
Contributions as a percentage of covered payroll	13.22%	12.43%	11.73%	10.52%	9.33%	7.72%	7.44%	7.54%	6.89%	7.16%



City of Reidsville, North Carolina

Schedule of Changes in Total Pension Liability  
Required Supplementary Information  
Last Eight Fiscal Years

Exhibit A-3

Law Enforcement Officers' Special Separation Allowance

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$2,063,439	\$2,310,842	\$2,193,587	\$ 1,491,801	\$ 1,412,648	\$ 1,442,623	\$ 1,476,922	\$ 1,500,521
Service cost	82,141	111,442	108,880	70,736	61,782	64,938	55,028	64,019
Interest on the LEO pension liability	86,728	51,023	41,205	46,990	49,928	44,052	55,134	51,662
Differences between expected and actual experience in the measurement of the LEO pension liability	70,489	16,679	139,964	128,787	8,663	10,189	(135,000)	-
Changes of assumptions or other inputs	47,793	(340,263)	(55,533)	556,059	40,755	(52,015)	87,678	(32,449)
Benefit payments	(102,398)	(86,284)	(117,261)	(100,786)	(81,975)	(97,139)	(97,139)	(106,831)
Ending balance of the LEO pension liability	<u>\$2,248,192</u>	<u>\$2,063,439</u>	<u>\$2,310,842</u>	<u>\$ 2,193,587</u>	<u>\$ 1,491,801</u>	<u>\$ 1,412,648</u>	<u>\$ 1,442,623</u>	<u>\$ 1,476,922</u>

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

City of Reidsville, North Carolina

Schedule of Total Pension Liability as a Percentage of Covered Payroll  
 Required Supplementary Information  
 Last Eight Fiscal Years

Exhibit A-4

Law Enforcement Officers' Special Separation Allowance

	2024	2023	2022	2021	2020	2019	2018	2017
LEO pension liability	\$ 2,248,192	\$ 2,063,439	\$ 2,310,842	\$ 2,193,587	\$ 1,491,801	\$ 1,412,648	\$ 1,442,623	\$ 1,476,922
Covered employee payroll	2,805,903	2,764,122	2,588,116	2,696,941	2,445,520	2,377,444	2,216,077	2,354,562
LEO pension liability as a percentage of covered employee payroll	80.12%	74.65%	89.29%	81.34%	61.00%	59.42%	65.10%	62.73%

Notes to the schedule:

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

City of Reidsville, North Carolina

Schedule of Changes in the Total OPEB Liability and Related Ratios  
Required Supplementary Information  
Last Seven Fiscal Years

Exhibit A-5

	Total OPEB Liability						
	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 297,619	\$ 461,506	\$ 461,913	\$ 340,516	\$ 314,654	\$ 283,155	\$ 306,023
Interest	235,298	195,915	181,228	273,019	269,384	211,152	182,767
Differences between expected and actual experience	(19,790)	(1,931,654)	(27,142)	(1,026,322)	(143,131)	750,301	174,785
Changes of assumptions	(70,242)	(689,075)	539,196	894,038	255,730	106,501	(313,394)
Benefit payments	(297,248)	(295,975)	(274,270)	(131,552)	(191,097)	(520,764)	(462,111)
Net change in Total OPEB Liability	145,637	(2,259,283)	880,925	349,699	505,540	830,345	(111,930)
Total OPEB Liability - beginning	6,496,562	8,755,845	7,874,920	7,525,221	7,019,681	6,189,336	6,301,266
Total OPEB Liability - ending	<u>\$ 6,642,199</u>	<u>\$ 6,496,562</u>	<u>\$ 8,755,845</u>	<u>\$ 7,874,920</u>	<u>\$ 7,525,221</u>	<u>\$ 7,019,681</u>	<u>\$ 6,189,336</u>
Covered employee payroll	\$10,090,149	\$ 8,721,571	\$ 9,230,081	\$8,522,349	\$7,997,189	\$7,997,189	\$7,486,544
Total OPEB liability as a percentage of covered employee payroll	65.83%	74.49%	94.86%	92.40%	94.10%	87.78%	82.67%

Notes to the Schedule

The City of Reidsville has no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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

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

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## CITY OF REIDSVILLE, NORTH CAROLINA

### Major Governmental Funds

General Fund - The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

American Rescue Plan Fund - This special revenue fund is used to account for the receipt of federal funds that will be used for various allowable future projects. Funds will be transferred from this fund as projects are approved.

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**CITY OF REIDSVILLE, NORTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad Valorem Taxes:				
Taxes	\$ 8,892,500	\$ 9,018,195	\$ 125,695	\$ 9,265,561
MSD Taxes	38,000	38,759	759	42,316
Penalties and Interest	-	46,508	46,508	51,109
	8,930,500	9,103,462	172,962	9,358,986
Other Taxes:				
Local Option Sales Tax	5,356,500	5,315,822	(40,678)	5,311,963
Privilege Licenses	8,000	9,432	1,432	9,140
Occupancy Tax	110,000	111,770	1,770	106,543
Gross receipts tax	-	47,781	47,781	46,268
	5,474,500	5,484,805	10,305	5,473,914
Unrestricted Intergovernmental Revenues:				
Franchise Tax	1,518,750	1,583,028	64,278	1,516,375
Beer and Wine	65,000	71,141	6,141	66,517
Tax Refunds	5,000	1,806	(3,194)	1,431
Other	2,400	2,400	-	2,400
	1,591,150	1,658,375	67,225	1,586,723
City of Reidsville ABC Board:				
Profit Distribution	100,850	86,542	(14,308)	89,536
Law Enforcement	26,500	26,500	-	40,294
	127,350	113,042	(14,308)	129,830
Restricted Intergovernmental Revenues:				
State Street Aid Allocation	425,000	518,675	93,675	472,917
Police Grants	230,022	251,963	21,941	384,240
Rockingham Co Schools - Resource Officers	290,000	330,686	40,686	256,232
CARES Act - RCARE	35,600	11,093	(24,507)	10,901
State Forfeiture Funds	12,231	20,331	8,100	17,594
Court Awarded Seizure Funds	965	987	22	1,645
State Division of Aging - Senior Adults	11,000	44,667	33,667	62,358
SHIIP Grant - Senior Adults	15,100	23,100	8,000	11,792
FEMA Grant - Fire Department	-	-	-	-
CDBG - Luck City Brewing	-	-	-	-
SKAT Bus Grant	-	-	-	-
Contribution - Rockingham Co. Industrial Park Maintenance	16,000	7,850	(8,150)	20,745
	1,035,918	1,209,352	173,434	1,238,424
Permits and Fees:				
Building Permits and Inspection Fees	115,000	250,167	135,167	226,828
Landfill Tipping Fees and Sanitation Pickups	474,256	509,288	35,032	451,460
	589,256	759,455	170,199	678,288

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>Sales and Services:</b>				
Recreation Department Fees	351,032	363,734	12,702	384,945
Rents, Commissions and Fees	82,000	93,648	11,648	82,483
Court Facilities Fees	8,500	8,654	154	6,028
Sale of Cemetery Plots	37,975	51,372	13,397	72,931
Sale of Capital Assets	34,700	585,072	550,372	265,438
Cable TV Franchise Tax	116,056	103,448	(12,608)	111,976
	630,263	1,205,928	575,665	923,801
Investment Earnings	425,000	636,738	211,738	414,020
<b>Miscellaneous:</b>				
Property Assessments	-	-	-	809
Private Contributions	459,704	117,386	(342,318)	265,916
Reidsville Area Foundation	-	-	-	2,285
Property Demolition and Cleaning	18,000	34,950	16,950	21,054
Other	52,951	50,741	(2,210)	12,305
	530,655	203,077	(327,578)	302,369
<b>Total Revenues</b>	<b>\$ 19,334,592</b>	<b>\$ 20,374,234</b>	<b>\$ 1,039,642</b>	<b>\$ 20,106,355</b>
<b>EXPENDITURES</b>				
<b>General Government:</b>				
<b>Governing Board:</b>				
Salaries and Employee Benefits	\$ 30,925	\$ 26,956	\$ 3,969	\$ 26,034
Operating Expenses	234,883	119,611	115,272	239,256
Professional Services	37,415	35,658	1,757	39,591
Capital Outlay	72,000	72,430	(430)	-
	375,223	254,655	120,568	304,881
<b>Administration and Personnel:</b>				
Salaries and Employee Benefits	374,538	367,625	6,913	362,607
Operating Expenses	129,906	54,375	75,531	(40,951)
Professional Services	22,551	7,980	14,571	291,090
Capital Outlay	-	-	-	-
	526,995	429,980	97,015	612,746
<b>Finance and Management Information Services:</b>				
Salaries and Employee Benefits	460,212	448,918	11,294	410,392
Operating Expenses	168,071	179,081	(11,010)	154,100
Professional Services	195,546	143,627	51,919	117,305
Capital Outlay	363,437	236,322	127,115	150,215
	1,187,266	1,007,948	179,318	832,012



**CITY OF REIDSVILLE, NORTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Engineering and Code Enforcement:				
Salaries and Employee Benefits	266,479	257,838	8,641	252,659
Operating Expenses	60,083	51,594	8,489	66,086
Capital Outlay	54,900	52,506	2,394	28,809
	381,462	361,938	19,524	347,554
Planning:				
Salaries and Employee Benefits	223,488	222,753	735	220,563
Operating Expenses	125,664	34,404	91,260	34,531
Capital Outlay	-	-	-	10,545
	349,152	257,157	91,995	265,639
Public Buildings and Grounds:				
Operating Expenses	287,146	248,041	39,105	231,500
Contracted Services	24,455	23,488	967	22,107
Capital Outlay	-	-	-	44,793
	311,601	271,529	40,072	298,400
Total General Government	3,131,699	2,583,207	548,492	2,661,232
Public Safety:				
Police:				
Salaries and Employee Benefits	4,668,250	4,596,118	72,132	4,260,849
LEO Special Separation Allowance/Insurance	293,350	293,044	306	237,065
Operating Expenses	1,126,899	971,135	155,764	908,802
Contracted Services	305,800	302,833	2,967	243,785
Capital Outlay	277,900	258,185	19,715	396,854
	6,672,199	6,421,315	250,884	6,047,355
Fire:				
Salaries and Employee Benefits	2,345,300	2,319,199	26,101	2,242,331
Operating Expenses	360,233	324,843	35,390	365,456
Contracted Services	45,000	43,459	1,541	44,805
Capital Outlay	161,222	149,297	11,925	627
	2,911,755	2,836,798	74,957	2,653,219
Total Public Safety	9,583,954	9,258,113	325,841	8,700,574
Transportation:				
Administration:				
Salaries and Employee Benefits	110,683	107,016	3,667	118,222
Operating Expenses	199,662	82,954	116,708	45,878
Capital Outlay	79,552	79,133	419	52,756
	389,897	269,103	120,794	216,856

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>Street Repair and Construction:</b>				
Salaries and Employee Benefits	934,570	905,521	29,049	792,317
Operating Expenditures	609,117	564,781	44,336	474,360
Contracted Services	61,321	22,812	38,509	52,294
Street Lights	347,500	345,377	2,123	265,959
Capital Outlay	613,100	333,384	279,716	770,465
	2,565,608	2,171,875	393,733	2,355,395
<b>Total Transportation</b>	2,955,505	2,440,978	514,527	2,572,251
<b>Environmental Protection:</b>				
<b>Solid Waste Management:</b>				
Salaries and Employee Benefits	1,021,275	994,005	27,270	967,785
Operating Expenses	797,000	768,432	28,568	768,830
Contracted Services	57,000	44,831	12,169	169,248
Capital Outlay	403,000	399,144	3,856	136,071
	2,278,275	2,206,412	71,863	2,041,934
<b>Cemetery:</b>				
Salaries and Employee Benefits	121,350	110,522	10,828	114,527
Operating Expenses	26,700	22,310	4,390	21,504
Capital Outlay	-	-	-	12,500
	154,050	138,660	15,390	148,531
<b>Total Environmental Protection</b>	2,432,325	2,345,072	87,253	2,190,465
<b>Cultural and Recreational:</b>				
<b>Parks and Recreation:</b>				
Salaries and Employee Benefits	1,049,750	1,024,003	25,747	860,559
Operating Expenses	687,133	640,110	47,023	613,276
Contracted Services	34,000	26,752	7,248	30,950
Reidsville Community Pool Association	147,600	79,742	67,858	77,148
Debt Service	263,200	262,889	311	262,889
Capital Outlay	864,604	139,983	724,621	710,196
	3,046,287	2,173,479	872,808	2,555,018
<b>Penn House:</b>				
Salaries and Employee Benefits	88,325	85,231	3,094	30,989
Operating Expenses	181,200	159,228	21,972	76,821
Contracted Services	11,400	30,614	(19,214)	8,784
	287,925	282,018	5,907	116,594
<b>Total Cultural and Recreational</b>	3,334,212	2,455,497	878,715	2,671,612

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Economic and Physical Development:				
Economic Development:				
Salaries and Employee Benefits	68,650	1,515	67,135	101,404
Operating Expenditures	275,645	144,934	130,711	90,037
Industrial Site Preparation and Incentives	318,800	104,517	214,283	232,811
	663,095	250,966	412,129	424,252
Marketing:				
Salaries and Employee Benefits	83,800	74,711	9,089	110,278
Operating Expenditures	134,400	95,668	38,732	143,920
	218,200	170,379	47,821	254,198
Main St. and Market Square:				
Salaries and Employee Benefits	79,475	77,614	1,861	71,503
Operating Expenditures	102,150	83,743	18,407	64,237
Grants and Incentives	91,600	24,948	66,652	10,000
	289,225	202,192	87,033	145,740
Total Economic and Physical Development	1,170,520	623,537	546,983	824,190
Other Appropriations - Community Affairs:				
Allocation to:				
Council on Aging (Cultural and Recreational)	10,500	10,500	-	10,500
Chamber of Commerce (Economic & Physical Develop.)	54,000	54,000	-	54,000
Historical District Commission (Cultural and Recreational)	52,175	29,941	22,234	187,545
SKAT Bus (General Government)	-	-	-	-
Special Events (General Government)	2,000	-	2,000	11,106
Human Relations Commission (Cultural and Recreational)	10,143	6,295	3,848	5,762
Other (General Government)	64,480	56,057	8,423	31,500
	193,298	156,793	36,505	300,413
Total Other Appropriations - Community Affairs	193,298	156,793	36,505	300,413
Total Expenditures	22,801,513	19,863,197	2,938,316	19,920,737
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,466,921)</b>	<b>511,037</b>	<b>3,977,958</b>	<b>185,618</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds:				
To Capital Project Funds				
CDBG - CV PennHouse	-	-	-	(750,000)
Splashpad	-	-	-	(500,000)
To Enterprise Funds:				
Internal Service Fund - Garage	(5,700)	(5,700)	-	-
Transfers from Other Funds:				
From Special Revenue Fund:				
American Rescue Plan Fund	400,000	400,000	-	251,977
Proceeds from Financed Purchase	151,903	151,903	-	-
Fund Balance Appropriated	2,920,718	-	(2,920,718)	-
	3,466,921	546,203	(2,920,718)	(998,023)
Total Other Financing Sources (Uses)	3,466,921	546,203	(2,920,718)	(998,023)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>1,057,240</b>	<b>\$ 1,057,240</b>	<b>(812,405)</b>
<b>FUND BALANCE</b>				
Beginning of Year, July 1		14,034,297		14,822,147
Change in reserve for inventories		14,327		24,555
End of Year, June 30		<b>\$ 15,105,864</b>		<b>\$ 14,034,297</b>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Special Revenue Funds - American Rescue Plan Act**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit B-2

	Actual			Total To Date
	Project Authorization	Prior Years	Current Year	
<b>REVENUES</b>				
Intergovernmental Grants:				
American Rescue Plan Act	\$ 4,457,621	\$ 2,063,344	\$ 1,898,582	\$ 3,961,926
Total Revenues	4,457,621	2,063,344	1,898,582	3,961,926
<b>EXPENDITURES</b>				
Contingency	13,000	-	-	-
Total Expenditures	13,000	-	-	-
<b>REVENUES OVER EXPENDITURES</b>	4,444,621	2,063,344	1,898,582	3,961,926
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds:				
General Fund	(660,000)	(251,977)	(400,000)	(651,977)
Capital Project Funds:				
Streetscape Improvements	(1,584,621)	(1,286,935)	(297,686)	(1,584,621)
Splashpad	(1,300,000)	(422,839)	(877,161)	(1,300,000)
Depot Shelter	(500,000)	(13,763)	(11,565)	(25,328)
CDBG Coronavirus Penn House	(400,000)	(87,830)	(312,170)	(400,000)
Total Other Financing (Uses)	(4,444,621)	(2,063,344)	(1,898,582)	(3,961,926)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			-	
End of Year, June 30			<u>\$ -</u>	

# CITY OF REIDSVILLE, NORTH CAROLINA

## Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Landfill Assessment Fund – This fund is used to account for State grant funding for a multi-step assessment the City’s old landfill.

CDBG Neighborhood Revitalization Fund – This fund is used to account for Community Development Block Grant funding for a home improvements and the construction of a community shelter in the downtown area.

Downtown District Fund – This fund is used to account for activities in the downtown district in the City.

## Nonmajor Capital Projects Fund

Capital Projects Funds are used to account for specific revenues that are restricted to expenditure for improvements and rehabilitation of specified areas within the City of Reidsville.

Streetscape Improvements Project Fund - This fund is used to account for improvements to City’s down town central business district streetscape. This project is being funded with American Rescue Plan funds.

Reidsville Industrial Park Project Fund - This fund is used to account for the engineering, site work and construction of an industrial park. This project is financed with federal and local intergovernmental grants and by transfers from the Water and Sewer Funds.

Senior Center Project Fund - This fund is used to account for construction of a senior center. This project is financed by transfers from the General Fund and a USDA loan, in addition to a local capital fundraising campaign.

Lake Reidsville Improvement Project Fund - This fund is used to account for connection of the campground and park septic system to the City’s sanitary sewer system. This project is financed by a lease purchase agreement.

CDBG Coronavirus Penn House Project Fund - This fund is used to account for an expansion at the City’s Penn house event center to mitigate pandemic related issues. This project is financed by a Community Development Block Grant (CDBG).

Splashpad Project Fund - This fund is used to account for the construction of a splashpad. This project is being funded with American Rescue Plan funds and transfers from the General Fund.

Depot Shelter Project Fund - This fund is used to account for the construction of a picnic shelter in the City’s downtown. This project is being funded with American Rescue Plan funds.

CITY OF REIDSVILLE, NORTH CAROLINA

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

Exhibit C-1

	Landfill Assessment Fund	CDBG Neighborhood Revitalization Fund	Downtown District Fund	Streetscape Improvements Project Fund	Reidsville Industrial Park Project Fund	Senior Center Project Fund	Lake Reidsville Improvements Project Fund	CDBG Coronavirus Penn House Project Fund	Splashpad Project Fund	Depot Shelter Project Fund	Total Nonmajor Governmental Funds
<b>Assets</b>											
Cash and Investments	\$ -	\$ 28,478	\$ 33,198	\$ 109	\$ 250,574	\$ 35,209	\$ -	\$ 69,118	\$ 66,031	\$ -	\$ 482,717
Accounts, Notes and Grants	-	52,379	125,273	-	-	-	-	5,500	-	-	183,152
Restricted Cash	-	-	27,684	-	-	-	-	-	-	-	27,684
Total assets	<u>\$ -</u>	<u>\$ 80,857</u>	<u>\$ 186,155</u>	<u>\$ 109</u>	<u>\$ 250,574</u>	<u>\$ 35,209</u>	<u>\$ -</u>	<u>\$ 74,618</u>	<u>\$ 66,031</u>	<u>\$ -</u>	<u>\$ 693,553</u>
<b>Liabilities</b>											
<b>Liabilities:</b>											
Accounts Payable and Accrued Liabilities	\$ -	\$ 13,639	\$ 39	\$ 109	\$ -	\$ -	\$ -	\$ 3,612	\$ 31,772	\$ -	\$ 49,171
Unearned Revenue	-	-	30,474	-	-	-	-	-	-	-	30,474
Total liabilities	<u>-</u>	<u>13,639</u>	<u>30,513</u>	<u>109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,612</u>	<u>31,772</u>	<u>-</u>	<u>79,645</u>
<b>Deferred inflows of resources</b>											
Unavailable/Unearned Revenue	-	-	122,441	-	-	-	-	-	-	-	122,441
<b>Fund balances:</b>											
<b>Restricted</b>											
Stabilization by State Statute	-	52,379	2,832	-	-	-	-	5,500	-	-	60,711
<b>Committed</b>											
Capital Projects	-	-	-	-	250,574	35,209	-	65,506	34,259	-	385,548
Downtown District	-	-	30,369	-	-	-	-	-	-	-	30,369
Neighborhood Revitalization	-	14,839	-	-	-	-	-	-	-	-	14,839
Total fund balances	<u>-</u>	<u>67,218</u>	<u>33,201</u>	<u>-</u>	<u>250,574</u>	<u>35,209</u>	<u>-</u>	<u>71,006</u>	<u>34,259</u>	<u>-</u>	<u>491,467</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 80,857</u>	<u>\$ 186,155</u>	<u>\$ 109</u>	<u>\$ 250,574</u>	<u>\$ 35,209</u>	<u>\$ -</u>	<u>\$ 74,618</u>	<u>\$ 66,031</u>	<u>\$ -</u>	<u>\$ 693,553</u>

CITY OF REIDSVILLE, NORTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2024

Exhibit C-2

	Landfill Assessment Fund	CDBG Neighborhood Revitalization Fund	Downtown District Fund	Streetscape Improvements Project Fund	Reidsville Industrial Park Project Fund	Senior Center Project Fund	Lake Reidsville Improvements Project Fund	CDBG Coronavirus Penn House Project Fund	Splashpad Project Fund	Depot Shelter Project Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>											
Restricted Intergovernmental Revenue	\$ -	\$ 223,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,497
Investment Income	-	-	3,654	-	10,049	-	-	-	-	-	13,703
Miscellaneous	-	-	34,375	-	-	-	-	-	-	-	34,375
<b>Total revenues</b>	<b>-</b>	<b>223,497</b>	<b>38,029</b>	<b>-</b>	<b>10,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,575</b>
<b>Expenditures</b>											
<b>Current:</b>											
General Government	-	204,156	-	-	-	-	-	-	-	-	204,156
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	-	-	67,000	-	-	-	-	-	-	-	67,000
Capital Outlay	-	-	-	297,686	-	-	-	991,164	1,342,902	11,565	2,643,317
<b>Total expenditures</b>	<b>-</b>	<b>204,156</b>	<b>67,000</b>	<b>297,686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>991,164</b>	<b>1,342,902</b>	<b>11,565</b>	<b>2,914,473</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>19,341</b>	<b>(28,971)</b>	<b>(297,686)</b>	<b>10,049</b>	<b>-</b>	<b>-</b>	<b>(991,164)</b>	<b>(1,342,902)</b>	<b>(11,565)</b>	<b>(2,642,898)</b>
<b>Other financing sources</b>											
Transfers In	-	-	-	297,686	-	-	-	312,170	877,161	11,565	1,498,582
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>297,686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,170</b>	<b>877,161</b>	<b>11,565</b>	<b>1,498,582</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>19,341</b>	<b>(28,971)</b>	<b>-</b>	<b>10,049</b>	<b>-</b>	<b>-</b>	<b>(678,994)</b>	<b>(465,741)</b>	<b>-</b>	<b>(1,144,316)</b>
<b>Fund balance - beginning</b>	<b>-</b>	<b>47,877</b>	<b>62,172</b>	<b>-</b>	<b>240,525</b>	<b>35,209</b>	<b>-</b>	<b>750,000</b>	<b>500,000</b>	<b>-</b>	<b>1,635,783</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ 67,218</b>	<b>\$ 33,201</b>	<b>\$ -</b>	<b>\$ 250,574</b>	<b>\$ 35,209</b>	<b>\$ -</b>	<b>\$ 71,006</b>	<b>\$ 34,259</b>	<b>\$ -</b>	<b>\$ 491,467</b>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Special Revenue Funds - Landfill Assessment**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-3

	Actual			Total To Date
	Project Authorization	Prior Years	Current Year	
<b>REVENUES</b>				
Intergovernmental Grants:				
NCDEQ Landfill Assessment	\$ 308,600	\$ 308,552	\$ -	\$ 308,552
Total Revenues	308,600	308,552	-	308,552
<b>EXPENDITURES</b>				
Environmental Protection:				
Engineering	308,600	308,552	-	308,552
Total Expenditures	308,600	308,552	-	308,552
<b>REVENUES UNDER EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			-	
End of Year, June 30			<u>\$ -</u>	



**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Special Revenue Funds - CDBG - Neighborhood Revitalization**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-4

	Actual			Total To Date
	Project Authorization	Prior Years	Current Year	
<b>REVENUES</b>				
Intergovernmental Grants				
Community Development Block Grant	\$ 692,828	\$ 62,700	\$ 223,497	\$ 286,197
Total Revenues	692,828	62,700	223,497	286,197
<b>EXPENDITURES</b>				
General Government:				
Housing Revitalization	480,718	2,425	204,156	206,581
Grant Administration	69,282	69,570	-	69,570
Contingency	200,000	-	-	-
Total Expenditures	750,000	71,995	204,156	276,151
<b>REVENUES UNDER EXPENDITURES</b>	(57,172)	(9,295)	19,341	10,046
<b>OTHER FINANCING SOURCES</b>				
Transfer - In:				
From General Fund	57,172	57,172	-	57,172
Total Other Financing Sources	57,172	57,172	-	57,172
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 47,877</u>	19,341	<u>\$ 67,218</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			47,877	
End of Year, June 30			<u>\$ 67,218</u>	

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Special Revenue Funds - Downtown District Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual - Budgetary Basis (Non-GAAP)**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

Exhibit C-5

	<u>2024</u>		<u>2023</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 3,654	\$ 3,654	\$ 3,601
Miscellaneous	43,200	34,375	(8,825)	32,681
Total Revenues	<u>43,200</u>	<u>38,029</u>	<u>(5,171)</u>	<u>36,282</u>
<b>EXPENDITURES</b>				
Economic and Physical Development:				
Operating Expenditures	<u>68,200</u>	<u>67,000</u>	<u>1,200</u>	<u>24,533</u>
Total Expenditures	<u>68,200</u>	<u>67,000</u>	<u>1,200</u>	<u>12,908</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(25,000)</u>	<u>(28,971)</u>	<u>(3,971)</u>	<u>23,374</u>
<b>NET CHANGE IN FUND BALANCE - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>(28,971)</u>	<u>\$ (28,971)</u>	<u>23,374</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1		<u>62,172</u>		<u>38,798</u>
End of Year, June 30		<u>\$ 33,201</u>		<u>\$ 62,172</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - Streetscape Improvements**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Construction	\$ 1,584,621	\$ 1,286,935	\$ 297,686	\$ 1,584,621
Contingency	-	-	-	-
Total Expenditures	<u>1,584,621</u>	<u>1,286,935</u>	<u>297,686</u>	<u>1,584,621</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(1,584,621)</u>	<u>(1,286,935)</u>	<u>(297,686)</u>	<u>(1,584,621)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers - In:				
From American Rescue Plan Fund	<u>1,584,621</u>	<u>1,286,935</u>	<u>297,686</u>	<u>1,584,621</u>
Total Other Financing Sources	<u>1,584,621</u>	<u>1,286,935</u>	<u>297,686</u>	<u>1,584,621</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			-	
End of Year, June 30			<u>\$ -</u>	

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - Reidsville Industrial Park Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-7

	Actual			Total To Date
	Project Authorization	Prior Years	Current Year	
<b>REVENUES</b>				
Intergovernmental Grants	\$ 2,077,698	\$ 2,048,201	\$ -	\$ 2,048,201
Duke Power Reimbursement	-	99,600	-	99,600
Investment Earnings	-	67,085	10,049	77,134
Total Revenues	<u>2,077,698</u>	<u>2,214,886</u>	<u>10,049</u>	<u>2,224,935</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Legal	10,000	6,650	-	6,650
Engineering	295,754	287,882	-	287,882
Construction	2,742,221	2,757,855	-	2,757,855
Contingency	99,623	-	-	-
Landscaping	814,300	809,100	-	809,100
Land	360,000	359,864	-	359,864
Water and Sewer	130,000	130,000	-	130,000
Street Construction	289,700	288,482	-	288,482
Environmental and Clearing	162,200	160,818	-	160,818
Surveying	48,500	48,310	-	48,310
Total Expenditures	<u>4,952,298</u>	<u>4,848,961</u>	<u>-</u>	<u>4,848,961</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,874,600)</u>	<u>(2,634,075)</u>	<u>10,049</u>	<u>(2,624,026)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer - In:				
From Water Fund	2,496,600	2,496,600	-	2,496,600
From Sewer Fund	378,000	378,000	-	378,000
Total Other Financing Sources	<u>2,874,600</u>	<u>2,874,600</u>	<u>-</u>	<u>2,874,600</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 240,525</u>	<u>10,049</u>	<u>\$ 250,574</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			240,525	
End of Year, June 30			<u>\$ 250,574</u>	

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - Senior Center Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-8

	Project Authorization	Prior Years	Actual	
			Current Year	Total To Date
<b>REVENUES</b>				
Interest Earned	\$ -	\$ 1,737	\$ -	\$ 1,737
Fundraising Proceeds	-	310,204	-	310,204
Total Revenues	-	311,941	-	311,941
<b>EXPENDITURES</b>				
Capital Outlay:				
Land	40,700	40,623	-	40,623
Design	35,900	45,829	-	45,829
Architecture	380,000	378,197	-	378,197
Furniture and fixtures	250,000	183,142	-	183,142
Consultant	27,000	21,215	-	21,215
Capitalized Interest	74,400	99,483	-	99,483
Professional Fees	34,000	57,844	-	57,844
Construction	5,304,799	5,242,965	-	5,242,965
Contingency	22,501	-	-	-
Total Expenditures	6,169,300	6,069,298	-	6,069,298
<b>REVENUES UNDER EXPENDITURES</b>	<b>(6,169,300)</b>	<b>(5,757,357)</b>	<b>-</b>	<b>(5,757,357)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - In:				
From General Fund	477,000	727,000	-	727,000
Debt Proceeds from USDA Note Payable	5,692,300	5,065,566	-	5,065,566
Debt Proceeds from Construction Note Payable	-	6,000,000	-	6,000,000
Payoff of Construction Note Payable	-	(6,000,000)	-	(6,000,000)
Total Other Financing Sources (Uses)	6,169,300	5,792,566	-	5,792,566
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 35,209</b>	<b>-</b>	<b>\$ 35,209</b>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			35,209	
End of Year, June 30			<u>\$ 35,209</u>	

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - Lake Reidsville Improvements**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-9

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUES</b>				
Interest Earned	\$ -	\$ 86	\$ -	\$ 86
Total Revenues	-	86	-	86
<b>EXPENDITURES</b>				
Capital Outlay:				
Engineering	69,500	63,752	-	63,752
Permitting	5,600	-	-	-
Interest	-	26,830	-	26,830
Professional Fees	55,000	55,150	-	55,150
Construction	798,717	713,741	-	713,741
Contingency	41,183	-	-	-
Total Expenditures	970,000	859,473	-	859,473
<b>REVENUES UNDER EXPENDITURES</b>	(970,000)	(859,387)	-	(859,387)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds from Note Payable	970,000	970,000	-	970,000
Return of Debt Proceeds	-	(110,613)	-	(110,613)
Total Other Financing Sources (Uses)	970,000	859,387	-	859,387
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			-	
End of Year, June 30			<u>\$ -</u>	

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - CDBG - Coronavirus Penn House Project**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>REVENUES</b>				
Intergovernmental Grants				
Community Development Block Grant	\$ 600,000	\$ 600,000	\$ -	\$ 600,000
Total Revenues	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Grant Administration	203,600	63,554	-	63,554
Construction	1,510,000	624,276	991,164	1,615,440
Contingency	36,400	-	-	-
Total Expenditures	<u>1,750,000</u>	<u>687,830</u>	<u>991,164</u>	<u>1,678,994</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(1,150,000)</u>	<u>(87,830)</u>	<u>(991,164)</u>	<u>(1,078,994)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers - In:				
From General Fund	750,000	750,000	-	750,000
From American Rescue Plan Fund	400,000	87,830	312,170	400,000
Total Other Financing Sources	<u>1,150,000</u>	<u>837,830</u>	<u>312,170</u>	<u>1,150,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 750,000</u>	<u>(678,994)</u>	<u>\$ 71,006</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			750,000	
End of Year, June 30			<u>\$ 71,006</u>	

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - Splashpad**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Engineering	\$ 108,000	\$ 52,434	\$ 40,682	\$ 93,116
Construction	1,667,000	370,405	1,302,220	1,672,625
Contingency	25,000	-	-	-
Total Expenditures	<u>1,800,000</u>	<u>422,839</u>	<u>1,342,902</u>	<u>1,765,741</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(1,800,000)</u>	<u>(422,839)</u>	<u>(1,342,902)</u>	<u>(1,765,741)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers - In:				
From General Fund	500,000	500,000	-	500,000
From American Rescue Plan Fund	1,300,000	422,839	877,161	1,300,000
Total Other Financing Sources	<u>1,800,000</u>	<u>922,839</u>	<u>877,161</u>	<u>1,800,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>(465,741)</u>	<u>\$ 34,259</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			<u>500,000</u>	
End of Year, June 30			<u>\$ 34,259</u>	



**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Capital Projects Fund - Depot Shelter**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**From Inception and for Year Ended June 30, 2024**

Exhibit C-12

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Engineering	\$ 50,000	\$ 13,763	\$ 11,565	\$ 25,328
Construction	425,000	-	-	-
Contingency	25,000	-	-	-
Total Expenditures	<u>500,000</u>	<u>13,763</u>	<u>11,565</u>	<u>25,328</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(500,000)</u>	<u>(13,763)</u>	<u>(11,565)</u>	<u>(25,328)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers - In:				
From American Rescue Plan Fund	<u>500,000</u>	<u>13,763</u>	<u>11,565</u>	<u>25,328</u>
Total Other Financing Sources	<u>500,000</u>	<u>13,763</u>	<u>11,565</u>	<u>25,328</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of Year, July 1			<u>-</u>	
End of Year, June 30			<u>\$ -</u>	

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## CITY OF REIDSVILLE, NORTH CAROLINA

### Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Combined Enterprise Fund – The City adopts a budget for a Combined Enterprise Fund that includes the operations for water and sewer services. For operating and reporting purposes, the Water and Sewer Funds are maintained separately.

Water Fund – This fund accounts for the City's water operations. The Water Treatment Plant Improvements Capital Project Fund, the Water Treatment Plant Generator Capital Project Fund and the Redundant Water Line Capital Project Fund are consolidated with the Water Fund for reporting purposes. These funds are to account for system improvements being funded by revenue bond proceeds, State loans, grants and system reserves.

Sewer Fund – This fund accounts for the City's sewer operations. The Wastewater Treatment Plant Improvements Capital Project Fund, the Unifi Sewer Line Capital Project Fund, the Wastewater Treatment Plant Improvements – BNR Capital Project Fund, the Rural Ready Site Capital Project Fund, the CDBG – Infrastructure Project Fund, the Wastewater Treatment Plant Headworks Improvements Capital Project Fund and the Annie Penn Sewer Outfall Improvements Capital Project Fund are consolidated with the Sewer Fund for reporting purposes. These funds are to account for system improvements being funded by revenue bond proceeds, State loans, grants and system reserves.

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues:				
Water Sales	\$ 4,029,000	\$ 4,210,009	\$ 181,009	\$ 4,717,840
Water Assessments and Penalties	95,000	358,372	263,372	18,449
Water Taps, Calibrations, and Cut-on Fees	60,000	85,317	25,317	82,625
Other Miscellaneous Income	5,000	2,452	(2,548)	135,174
Total Operating Revenues	4,189,000	4,656,150	467,150	4,954,088
Nonoperating Revenues:				
Interest on Investments	132,500	180,658	48,158	134,832
Other Revenue/ Noncapital Grants	-	-	-	-
Total Nonoperating Revenues	132,500	180,658	48,158	134,832
Total Revenues	4,321,500	4,836,808	515,308	5,088,920
<b>EXPENDITURES</b>				
Water Administration:				
Salaries and Employee Benefits	468,191	468,191	-	421,780
Operating Expenses	170,268	169,612	656	142,462
Contracted Services	48,131	48,131	-	95,245
Total Water Administration	686,590	685,934	656	659,487
Finance:				
Salaries and Employee Benefits	238,537	238,537	-	214,876
Operating Expenses	34,408	34,408	-	40,992
Contracted Services	32,965	32,965	-	86,917
Total Finance	305,910	305,910	-	342,785
Total Water Administration and Finance	992,500	991,844	656	1,002,272
Water Treatment and Distribution:				
Salaries and Employee Benefits	655,250	659,034	(3,784)	548,718
Operating Expenses	1,118,000	1,120,743	(2,743)	940,829
Contracted Services	235,856	222,729	13,127	209,550
Total Water Treatment and Distribution	2,009,106	2,002,506	6,600	1,699,097
Raw Water Pump Station:				
Salaries and Employee Benefits	79,100	75,262	3,838	74,088
Operating Expenses	13,150	10,329	2,821	14,404
Total Raw Water Pump Station	92,250	85,591	6,659	88,492
Water Distribution:				
Salaries and Employee Benefits	408,350	386,514	21,836	352,241
Operating Expenses	634,907	505,931	128,976	310,529
Total Water Distribution	1,043,257	892,445	150,812	662,770
Total Water Treatment and Distribution	3,144,613	2,980,542	164,071	2,450,359

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Debt Service:				
Debt Principal	601,738	601,738	-	583,280
Interest and Fees	213,612	206,251	7,361	224,921
Total Debt Service	815,350	807,989	7,361	808,201
Capital Outlay	1,268,601	82,749	1,185,852	57,605
Total Expenditures	6,221,064	4,863,124	1,357,940	4,318,437
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,899,564)</b>	<b>(26,316)</b>	<b>1,873,248</b>	<b>770,483</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out):				
From Sewer Fund	100,700	100,700	-	100,700
To Redundant Water Line Capital Project Fund	(202,000)	(202,000)	-	(93,080)
To Sewer Fund	(228,000)	(228,000)	-	(228,000)
Net Position Appropriated	1,759,264	-	(1,759,264)	-
Total Other Financing Sources (Uses)	1,429,964	(329,300)	(1,759,264)	(220,380)
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (469,600)</b>	<b>\$ (355,616)</b>	<b>\$ 113,984</b>	<b>\$ 550,103</b>
 <b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL BASIS) TO FULL ACCRUAL BASIS</b>				
Revenues and Other Financing Sources Over Expenditures		\$ (355,616)		\$ 550,103
WTP Generator Capital Project Fund grant		121,973		194,400
Transfer to Redundant Water Line Capital Project Fund		202,000		93,080
Depreciation		(909,424)		(899,966)
Debt Principal		601,738		583,280
Deferred outflows of resources for contributions made to pension plan in current fiscal year		92,481		79,979
Pension expense		(144,595)		(118,521)
OPEB deferrals		648		300
OPEB expense		(26,975)		(48,627)
Capital outlay		82,749		57,605
Change in Net Position - GAAP Basis		\$ (335,021)		\$ 491,633

Note: The Water Fund is budgeted with the Sewer Fund as the City's Combined Enterprise Fund. The amount shown above for revenues and other sources under expenditures and other uses, (\$469,600) is offset by an amount over in the Sewer Fund.

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Water Fund Capital Projects Fund -**  
**Water Treatment Plant Improvements Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-2

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUES</b>				
Interest Earned	\$ -	\$ 2,244	\$ -	\$ 2,244
Total Revenues	-	2,244	-	2,244
<b>EXPENDITURES</b>				
Bond Issuance Costs	100,000	98,618	-	98,618
Capital Outlay:				
Engineering	425,000	421,460	-	421,460
Construction	5,959,678	5,968,732	-	5,968,732
Administration and Inspection	991,950	564,974	-	564,974
Contingency	92,351	1,329	-	1,329
Total Expenditures	7,568,979	7,055,113	-	7,055,113
<b>REVENUES UNDER EXPENDITURES</b>	(7,568,979)	(7,052,869)	-	(7,052,869)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Revenue Bonds	5,353,000	5,353,000	-	5,353,000
Contributed Capital	2,111,456	2,049,307	-	2,049,307
Transfers - In:				
From Water Fund	104,523	104,523	-	104,523
Total Other Financing Sources	7,568,979	7,506,830	-	7,506,830
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 453,961</u>	<u>\$ -</u>	<u>\$ 453,961</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Water Fund Capital Projects Fund -**  
**Water Treatment Plant Generator Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-3

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>REVENUES</b>				
Restricted Intergovernmental Revenues:				
State Fiscal Recovery Fund:				
American Rescue Plan	\$ 3,200,000	\$ 194,400	\$ 121,973	\$ 316,373
Total Revenues	<u>3,200,000</u>	<u>194,400</u>	<u>121,973</u>	<u>316,373</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Engineering	335,000	194,400	121,973	316,373
Construction	2,500,000	-	-	-
Contingency	365,000	-	-	-
Total Expenditures	<u>3,200,000</u>	<u>194,400</u>	<u>121,973</u>	<u>316,373</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Water Fund Capital Projects Fund -**  
**Redundant Water Line Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>EXPENDITURES</b>				
Bond Issuance Costs	\$ 93,080	\$ -	\$ -	\$ -
Capital Outlay:				
Engineering	483,000	204,275	42,217	246,492
Professional Services	202,000	-	40,560	40,560
Construction	3,802,000	-	-	-
Contingency	369,000	-	-	-
Total Expenditures	<u>4,949,080</u>	<u>204,275</u>	<u>82,777</u>	<u>287,052</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(4,949,080)</u>	<u>(204,275)</u>	<u>(82,777)</u>	<u>(287,052)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from State Revolving Loan	4,654,000	-	-	-
Transfer in from WaterFund	295,080	93,080	202,000	295,080
Total Other Financing Sources	<u>4,949,080</u>	<u>93,080</u>	<u>202,000</u>	<u>295,080</u>
<b>REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ (111,195)</u>	<u>\$ 119,223</u>	<u>\$ 8,028</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues:				
Sewer Charges	\$ 5,140,450	\$ 5,190,667	\$ 50,217	\$ 5,075,925
Sewer Assessments, Surcharges and Penalties	87,000	65,282	(21,718)	61,915
Sewer Taps and Fees	5,000	18,700	13,700	32,300
Total Operating Revenues	<u>5,232,450</u>	<u>5,274,649</u>	<u>42,199</u>	<u>5,170,140</u>
Nonoperating Revenues:				
Interest on Investments	132,500	183,738	51,238	174,790
Other Revenue/ Noncapital Grants	-	-	-	290,000
Total Nonoperating Revenues	<u>132,500</u>	<u>183,738</u>	<u>51,238</u>	<u>464,790</u>
Total Revenues	<u>5,364,950</u>	<u>5,458,387</u>	<u>93,437</u>	<u>5,634,930</u>
<b>EXPENDITURES</b>				
Sewer Administration:				
Salaries and Employee Benefits	468,191	468,191	-	421,780
Operating Expenses	189,768	189,147	621	168,009
Contracted Services	759,131	729,675	29,456	744,176
Total Sewer Administration	<u>1,417,090</u>	<u>1,387,013</u>	<u>30,077</u>	<u>1,333,965</u>
Finance:				
Salaries and Employee Benefits	238,537	238,537	-	214,876
Operating Expenses	34,408	34,408	-	40,992
Contracted Services	32,965	32,965	-	86,917
Total Finance	<u>305,910</u>	<u>305,910</u>	<u>-</u>	<u>342,785</u>
Total Sewer Administration and Finance	<u>1,723,000</u>	<u>1,692,923</u>	<u>30,077</u>	<u>1,676,750</u>
Waste Collection and Treatment:				
Sewer Collection System:				
Salaries and Employee Benefits	492,250	467,865	24,385	406,040
Operating Expenses	173,200	153,787	19,413	156,547
Total Sewer Collection System	<u>665,450</u>	<u>621,652</u>	<u>43,798</u>	<u>562,587</u>
Waste Treatment:				
Salaries and Employee Benefits	648,450	633,785	14,665	531,588
Operating Expenses	810,126	685,568	124,558	603,737
Contracted Services	334,400	279,922	54,478	271,571
Total Waste Treatment	<u>1,792,976</u>	<u>1,599,275</u>	<u>193,701</u>	<u>1,406,896</u>
Plant Maintenance:				
Salaries and Employee Benefits	388,550	383,243	5,307	409,770
Operating Expenses	396,923	276,131	120,792	314,675
Total Plant Maintenance	<u>785,473</u>	<u>659,374</u>	<u>126,099</u>	<u>724,445</u>
Total Waste Collection and Treatment	<u>3,243,899</u>	<u>2,880,301</u>	<u>363,598</u>	<u>2,693,928</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2024**  
**With Comparative Totals for the Year Ended June 30, 2023**

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Debt Service:				
Debt Principal	753,889	753,889	-	751,347
Interest and Fees	32,911	31,450	1,461	34,149
Total Debt Service	786,800	785,339	1,461	785,496
Capital Outlay	1,255,025	24,650	1,230,375	164,894
Total Expenditures	7,008,724	5,383,213	1,625,511	5,321,068
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,643,774)</b>	<b>75,174</b>	<b>1,718,948</b>	<b>313,862</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out):				
From Water Fund	228,000	228,000	-	228,000
To Water Fund	(100,700)	(100,700)	-	(100,700)
To WWTP Improvements BNR Capital Project Fund	(97,946)	(97,946)	-	-
To Headworks Capital Project Fund	(100,722)	(100,722)	-	-
To Annie Penn Outfall Capital Project Fund	(98,000)	(98,000)	-	-
Net Position Appropriated	2,282,742	-	(2,282,742)	-
Total Other Financing Sources (Uses)	2,113,374	(169,368)	(2,282,742)	127,300
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 469,600</b>	<b>\$ (94,194)</b>	<b>\$ (563,794)</b>	<b>\$ 441,162</b>
<b>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL BASIS) TO FULL ACCRUAL BASIS</b>				
Revenues and Other Financing Sources Over Expenditures		\$ (94,194)		\$ 441,162
Transfer To Wastewater Treatment Plant Improvements BNR Capital Project Fund		97,946		-
Transfer To Headworks Project Fund		100,722		-
Transfer To Annie Penn Outfall Project Fund		98,000		-
Rural Ready Site Project revenues		796,780		(1,961)
CDBG - I Project revenues		24,297		888,719
Depreciation		(1,117,998)		(1,071,453)
Debt Principal		753,889		751,347
Deferred outflows of resources for contributions made to pension plan in current fiscal year		124,828		112,727
Pension expense		(195,171)		(167,052)
OPEB expense		17,150		(9,912)
Capital outlay		24,650		164,894
Change in Net Position - GAAP Basis		<u>\$ 630,899</u>		<u>\$ 1,108,471</u>

Note: The Sewer Fund is budgeted with the Water Fund as the City's Combined Enterprise Fund. The amount shown above for revenues and other sources over expenditures and other uses, \$469,600 is offset by an amount under in the Water Fund.

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Wastewater Treatment Plant Improvements Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-6

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>EXPENDITURES</b>				
Bond Issuance Costs	\$ 295,000	\$ 294,791	\$ -	\$ 294,791
Capital Outlay:				
Engineering	1,314,356	1,201,110	-	1,201,110
Construction	12,578,950	12,210,546	-	12,210,546
Administration and Inspection	1,030,654	49	-	49
Total Expenditures	15,218,960	13,706,496	-	13,706,496
<b>REVENUES UNDER EXPENDITURES</b>	<b>(15,218,960)</b>	<b>(13,706,496)</b>	<b>-</b>	<b>(13,706,496)</b>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from State Revolving Loan	14,841,241	13,332,539	-	13,332,539
Transfer In from Sewer Fund	377,719	377,719	-	377,719
Total Other Financing Sources	15,218,960	13,710,258	-	13,710,258
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 3,762</b>	<b>\$ -</b>	<b>\$ 3,762</b>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Unifi Sewer Line Improvements Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-7

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>REVENUES</b>				
Restricted Intergovernmental Revenues:				
Community Development Block Grant	\$ 861,000	\$ 716,719	\$ -	\$ 716,719
Total Revenues	<u>861,000</u>	<u>716,719</u>	<u>-</u>	<u>716,719</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Engineering	74,000	-	-	-
Construction	620,000	509,071	-	509,071
Easement	27,000	26,258	-	26,258
Administration and Inspection	85,000	181,390	-	181,390
Contingency	55,000	-	-	-
Total Expenditures	<u>861,000</u>	<u>716,719</u>	<u>-</u>	<u>716,719</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Wastewater Treatment Plant Improvements - BNR Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-8

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>EXPENDITURES</b>				
Bond Issuance Costs	\$ 177,208	\$ -	\$ 177,208	\$ 177,208
Capital Outlay:				
Engineering	903,790	379,500	54,611	434,111
Construction	8,034,910	-	-	-
Administration and Inspection	-	-	-	-
Grant Administration	20,000	1,000	-	1,000
Contingency	401,700	-	-	-
Total Expenditures	<u>9,537,608</u>	<u>380,500</u>	<u>231,819</u>	<u>612,319</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(9,537,608)</u>	<u>(380,500)</u>	<u>(231,819)</u>	<u>(612,319)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from State Revolving Loan	9,360,400	-	-	-
Transfer In from Sewer Fund	177,208	79,262	97,946	177,208
Total Other Financing Sources	<u>9,537,608</u>	<u>79,262</u>	<u>97,946</u>	<u>177,208</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ (301,238)</u>	<u>\$ (133,873)</u>	<u>\$ (435,111)</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Rural Ready Site Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>REVENUES</b>				
Restricted Intergovernmental Revenues:				
NC Rural Ready Sites Grant Fund	\$ 1,672,435	\$ 856,542	\$ 683,869	\$ 1,540,411
Rockingham County	278,750	227,509	112,911	340,420
Total Revenues	<u>1,951,185</u>	<u>1,084,051</u>	<u>796,780</u>	<u>1,880,831</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Engineering	170,000	169,181	9,800	178,981
Construction	2,059,935	1,195,837	846,433	2,042,270
Total Expenditures	<u>2,229,935</u>	<u>1,365,018</u>	<u>856,233</u>	<u>2,221,251</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(278,750)</u>	<u>(280,967)</u>	<u>(59,453)</u>	<u>(340,420)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer In from Water Fund	109,100	109,100	-	109,100
Transfer In from Sewer Fund	169,650	169,650	-	169,650
Total Other Financing Sources	<u>278,750</u>	<u>278,750</u>	<u>-</u>	<u>278,750</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ (2,217)</u>	<u>\$ (59,453)</u>	<u>\$ (61,670)</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Community Development Block Grant (CDBG) - Infrastructure Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
<b>REVENUES</b>				
Restricted Intergovernmental Revenues:				
Community Development Block Grant	\$ 1,999,298	\$ 1,183,839	\$ 24,297	\$ 1,208,136
Total Revenues	<u>1,999,298</u>	<u>1,183,839</u>	<u>24,297</u>	<u>1,208,136</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Construction	1,340,878	714,954	19,725	734,679
Engineering	259,000	249,798	4,572	254,370
Grant Administration	256,420	219,087	-	219,087
Contingency	143,000	-	-	-
Total Expenditures	<u>1,999,298</u>	<u>1,183,839</u>	<u>24,297</u>	<u>1,208,136</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Wastewater Treatment Plant Headworks Improvements Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-11

	Project Authorization	Prior Years	Actual	
			Current Year	Total To Date
<b>EXPENDITURES</b>				
Capital Outlay:				
Issuance Costs	\$ 100,722	\$ -	\$ 100,722	\$ 100,722
Engineering	380,000	323,740	98,198	421,938
Construction Administration	195,000	-	-	-
Loan Administration	24,000	-	-	-
Professional Services	58,100	-	-	-
Construction	4,307,000	-	1,346,297	1,346,297
Contingency	716,582	-	-	-
Total Expenditures	<u>5,781,404</u>	<u>323,740</u>	<u>1,545,217</u>	<u>1,868,957</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(5,781,404)</u>	<u>(323,740)</u>	<u>(1,545,217)</u>	<u>(1,868,957)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from State Revolving Loan	5,180,682	-	-	-
Transfer In from Sewer Fund	600,722	500,000	100,722	600,722
Total Other Financing Sources	<u>600,722</u>	<u>500,000</u>	<u>100,722</u>	<u>600,722</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ (5,180,682)</u>	<u>\$ 176,260</u>	<u>\$ (1,444,495)</u>	<u>\$ (1,268,235)</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Sewer Fund Capital Projects Fund -**  
**Annie Penn Sewer Outfall Improvements**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for Year Ended June 30, 2024**

Exhibit D-12

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total To Date</b>
<b>REVENUES</b>				
Restricted Intergovernmental Revenues:				
State Budget Appropriation	\$ 1,552,000	\$ -	\$ -	\$ -
Total Revenues	<u>1,552,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Professional Services	202,675	-	-	-
Administration	20,000	-	180	180
Construction	1,303,025	-	-	-
Contingency	124,300	-	-	-
Total Expenditures	<u>1,650,000</u>	<u>-</u>	<u>180</u>	<u>180</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u><u>\$ (98,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (180)</u></u>	<u><u>\$ (180)</u></u>
<b>OTHER FINANCING SOURCES</b>				
Transfer In from Sewer Fund	98,000	-	98,000	98,000
Total Other Financing Sources	<u>98,000</u>	<u>-</u>	<u>98,000</u>	<u>98,000</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 97,820</u></u>	<u><u>\$ 97,820</u></u>

## CITY OF REIDSVILLE, NORTH CAROLINA

### Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Central Garage Fund – This fund is used to account for the accumulation and allocation of costs associated with the City's central garage.

Insurance Fund – This fund is used to account for the accumulation and allocation of costs for the City's general and workers' compensation insurance.

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**CITY OF REIDSVILLE, NORTH CAROLINA**

**Combining Statement of Net Position**

**Internal Service Funds**

**June 30, 2024**

Exhibit E-1

	<b>Central Garage Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and Investments	\$ 227,321	\$ 957	\$ 228,278
Inventories	50,391	-	50,391
Prepaid Items	-	-	-
Total current assets	<u>277,712</u>	<u>957</u>	<u>278,669</u>
 Total Assets	<u>277,712</u>	<u>957</u>	<u>278,669</u>
<b>Deferred outflows of resources</b>			
OPEB Deferrals	<u>23,002</u>	<u>-</u>	<u>23,002</u>
<b>Liabilities</b>			
Current liabilities			
Accounts Payable and Accrued Liabilities	<u>33,161</u>	<u>-</u>	<u>33,161</u>
Total current liabilities	<u>33,161</u>	<u>-</u>	<u>33,161</u>
Noncurrent liabilities			
OPEB Liability	167,732	-	167,732
Long-Term Obligations	11,346	-	11,346
Total noncurrent liabilities	<u>179,078</u>	<u>-</u>	<u>179,078</u>
Total liabilities	<u>212,239</u>	<u>-</u>	<u>212,239</u>
<b>Deferred Inflows of Resources</b>			
OPEB Deferrals	<u>60,928</u>	<u>-</u>	<u>60,928</u>
<b>Net Position</b>			
Unrestricted	27,547	957	28,504
Total net position	<u>\$ 27,547</u>	<u>\$ 957</u>	<u>\$ 28,504</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Combining Statement of Revenues, Expenses, and Changes in Fund  
Net Position**

**Internal Service Funds  
For the Year Ended June 30, 2024**

Exhibit E-2

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	<b>Central Garage Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Operating revenues</b>			
Charges for Services	\$ 680,596	\$ 571,323	\$ 1,251,919
Total operating revenues	<u>680,596</u>	<u>571,323</u>	<u>1,251,919</u>
<b>Operating expenses</b>			
Cost of Sales and Services	<u>675,480</u>	<u>576,779</u>	<u>1,252,259</u>
Total operating expenses	<u>675,480</u>	<u>576,779</u>	<u>1,252,259</u>
<b>Income (Loss) before transfers</b>	5,116	(5,456)	(340)
Transfers In	<u>5,700</u>	<u>-</u>	<u>5,700</u>
<b>Change in net position</b>	10,816	(5,456)	5,360
<b>Total net position - beginning</b>	<u>16,731</u>	<u>6,413</u>	<u>23,144</u>
<b>Total net position - ending</b>	<u><u>\$ 27,547</u></u>	<u><u>\$ 957</u></u>	<u><u>\$ 28,504</u></u>

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Combining Statement of Cash Flows**

**Internal Service Funds**

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

Exhibit E-3

	<u>Central Garage Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
<b>Operating activities</b>			
Cash Received from Customers	\$ 680,596	\$ 571,323	\$ 1,251,919
Cash Paid to Employees	(268,560)	-	(268,560)
Cash Paid for Goods and Services	<u>(387,055)</u>	<u>(576,779)</u>	<u>(963,834)</u>
<b>Net cash provided by operating activities</b>	<u>24,981</u>	<u>(5,456)</u>	<u>19,525</u>
<b>Noncapital financing activities</b>			
Transfers In	<u>5,700</u>	-	<u>5,700</u>
<b>Net cash provided by noncapital financing activities</b>	<u>5,700</u>	-	<u>5,700</u>
<b>Net increase in cash and cash equivalents/investments</b>	30,681	(5,456)	25,225
<b>Cash and cash equivalents/investments Beginning of year</b>	<u>196,640</u>	<u>6,413</u>	<u>203,053</u>
<b>End of year</b>	<u>\$ 227,321</u>	<u>\$ 957</u>	<u>\$ 228,278</u>
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>			
Operating income (loss)	\$ 5,116	\$ (5,456)	\$ (340)
Adjustments to reconcile operating loss to net cash used in operating activities:			
decrease in OPEB Deferrals	(4,582)	-	(4,582)
Change in assets and liabilities			
Decrease in Inventories	2,512	-	2,512
Increase in Accounts Payable and accrued liabilities	19,071	-	19,071
Increase in OPEB Obligation	295	-	295
Total adjustments	<u>19,865</u>	<u>-</u>	<u>19,865</u>
<b>Net cash used in operating activities</b>	<u>\$ 24,981</u>	<u>\$ (5,456)</u>	<u>\$ 19,525</u>

**CITY OF REIDSVILLE, NORTH CAROLINA**

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 Central Garage Internal Service Fund  
 For the Year Ended June 30, 2024  
 With Comparative Totals for the Year Ended June 30, 2023**

Exhibit E-4

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues:				
Charges for Services	\$ 697,750	\$ 680,596	\$ (17,154)	\$ 568,154
Total Revenues	<u>697,750</u>	<u>680,596</u>	<u>(17,154)</u>	<u>568,154</u>
<b>EXPENDITURES</b>				
Salaries and Employee Benefits	285,550	269,659	15,891	246,773
Supplies	19,500	16,694	2,806	11,255
Other Operating Expenses	398,400	389,127	9,273	299,439
Total Expenditures	<u>703,450</u>	<u>675,480</u>	<u>27,970</u>	<u>557,467</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(5,700)</u>	<u>5,116</u>	<u>10,816</u>	<u>10,687</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In (Out):				
From General Fund	5,700	5,700	-	-
Total Other Financing Sources (Uses)	<u>5,700</u>	<u>5,700</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ 10,816</u>	<u>\$ 10,816</u>	<u>\$ 10,687</u>



**CITY OF REIDSVILLE, NORTH CAROLINA**

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
Insurance Internal Service Fund  
For the Year Ended June 30, 2024  
With Comparative Totals for the Year Ended June 30, 2023**

Exhibit E-5

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating Revenues:				
Charges for Services	\$ 492,200	\$ 571,323	\$ 79,123	\$ 474,128
Total Revenues	<u>492,200</u>	<u>571,323</u>	<u>79,123</u>	<u>474,128</u>
<b>EXPENDITURES</b>				
Medical Insurance Premiums	-	7,169	(7,169)	-
Workers' Compensation Insurance	220,000	255,857	(35,857)	210,521
Property and General Liability Insurance	160,000	177,117	(17,117)	151,407
Vehicle Insurance	70,000	83,665	(13,665)	70,000
Fidelity Insurance	1,200	843	357	1,200
Professional Liability Insurance	41,000	52,128	(11,128)	41,000
Total Expenditures	<u>492,200</u>	<u>576,779</u>	<u>(84,579)</u>	<u>474,128</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(5,456)</u>	<u>(5,456)</u>	<u>-</u>
<b>NET CHANGE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ (5,456)</u>	<u>\$ (5,456)</u>	<u>\$ -</u>

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# **CITY OF REIDSVILLE, NORTH CAROLINA**

## **Additional Financial Data**

**This section contains additional information on property taxes, interfund and component unit transfers, and cash and investments.**

**Schedule of Ad Valorem Taxes Receivable**

**Analysis of Current Tax Levy – City-Wide Levy**

CITY OF REIDSVILLE, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit F-1

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-24	\$ -	\$ 9,110,264	\$ 8,994,194	\$ 116,070
2022-23	107,588	225,869	278,022	55,435
2021-22	55,851	169	15,648	40,372
2020-21	37,033	-	6,889	30,144
2019-20	22,719	-	3,387	19,332
2018-19	22,879	-	1,944	20,935
2017-18	21,327	-	1,621	19,706
2016-17	18,387	-	1,918	16,469
2015-16	16,148	-	1,521	14,627
2014-15	15,687	-	1,337	14,350
2013-14	16,901	-	16,901	-
	\$ 334,520	\$ 9,336,302	\$ 9,323,382	347,440
Less Allowance for Uncollectible Accounts:				
	General Fund			(184,162)
	Add MSD Taxes Receivable			3,378
	Ad Valorem Taxes Receivable - Net			\$ 166,656
	Ad valorem taxes-general fund			\$ 9,103,462
	Reconciling items:			
	Interest collected			(46,508)
	MSD Collections			(38,759)
	Other Adjustments			5,975
	Taxes written off			16,901
	Releases			282,311
	Total Collections and Credits			\$ 9,323,382

CITY OF REIDSVILLE, NORTH CAROLINA

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

Exhibit F-2

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at Current Year's Rate	\$ 1,231,146,887	\$0.00739	\$ 9,092,208	\$ 8,130,837	\$ 961,371
Penalties	-		14,238	14,238	-
Totals	<u>1,231,146,887</u>		<u>9,106,446</u>	<u>8,145,075</u>	<u>961,371</u>
Discoveries:					
Current Year Taxes	1,412,245	\$0.00739	10,574	10,574	-
Prior Years, Net	-		4,211	4,211	-
Penalties	-		1,234	1,234	-
Totals	<u>1,412,245</u>		<u>16,019</u>	<u>16,019</u>	<u>-</u>
Abatements/Releases/Corrections	<u>(1,489,844)</u>	\$0.00739	<u>(12,201)</u>	<u>(12,201)</u>	<u>-</u>
Total Property Valuation	<u>\$ 1,231,069,288</u>				
Net Levy			9,110,264	8,148,893	961,371
Less Uncollected Tax at June 30, 2024 (Exhibit F-1)			<u>116,070</u>	<u>116,070</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 8,994,194</u>	<u>\$ 8,032,823</u>	<u>\$ 961,371</u>
Percent Current Year Collected			<u>98.73%</u>	<u>98.58%</u>	<u>100.00%</u>

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# CITY OF REIDSVILLE, NORTH CAROLINA

## STATISTICAL SECTION

This part of the City'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.** (Schedules 1 – 4) 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.** (Schedules 5 – 8) These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity.** (Schedules 9 – 12) 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.** (Schedules 13 – 14) These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information.** (Schedules 15 – 16) These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

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Schedule 1  
CITY OF REIDSVILLE, NORTH CAROLINA  
Net Position by Component,  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 24,938,905	\$ 24,749,438	\$ 23,619,290	\$ 23,332,204	\$ 23,501,656	\$ 22,771,925	\$ 21,763,264	\$ 21,701,997	\$ 24,750,486	\$ 27,516,047
Restricted	4,107,944	3,742,136	4,896,895	4,434,258	2,983,776	3,980,776	5,062,796	7,629,188	5,317,626	4,806,653
Unrestricted	<u>4,002,827</u>	<u>4,328,966</u>	<u>2,593,252</u>	<u>(856,451)</u>	<u>656,395</u>	<u>(107,837)</u>	<u>513,431</u>	<u>(1,243,689)</u>	<u>962,946</u>	<u>702,410</u>
Total governmental activities net position	<u>\$ 33,049,676</u>	<u>\$ 32,820,540</u>	<u>\$ 31,109,437</u>	<u>\$ 26,910,011</u>	<u>\$ 27,141,827</u>	<u>\$ 26,644,864</u>	<u>\$ 27,339,491</u>	<u>\$ 28,087,496</u>	<u>\$ 31,031,058</u>	<u>\$ 33,025,110</u>
Business-type activities										
Net investment in capital assets	\$ 32,473,297	\$ 32,853,223	\$ 33,044,722	\$ 35,426,598	\$ 35,573,971	\$ 35,996,227	\$ 36,552,413	\$ 37,637,366	\$ 39,154,406	\$ 41,452,506
Unrestricted	<u>6,100,770</u>	<u>5,643,618</u>	<u>6,746,184</u>	<u>5,680,743</u>	<u>6,492,172</u>	<u>7,202,522</u>	<u>8,208,226</u>	<u>7,566,430</u>	<u>7,649,494</u>	<u>5,647,272</u>
Total business-type activities net position	<u>\$ 38,574,067</u>	<u>\$ 38,496,841</u>	<u>\$ 39,790,906</u>	<u>\$ 41,107,341</u>	<u>\$ 42,066,143</u>	<u>\$ 43,198,749</u>	<u>\$ 44,760,639</u>	<u>\$ 45,203,796</u>	<u>\$ 46,803,900</u>	<u>\$ 47,099,778</u>
Primary government										
Net investment in capital assets	\$ 57,412,202	\$ 57,602,661	\$ 56,664,012	\$ 58,758,802	\$ 59,075,627	\$ 58,768,152	\$ 58,315,677	\$ 59,339,363	\$ 63,904,892	\$ 68,968,553
Restricted	4,107,944	3,742,136	4,896,895	4,434,258	2,983,776	3,980,776	5,062,796	7,629,188	5,317,626	4,806,653
Unrestricted	<u>10,103,597</u>	<u>9,972,584</u>	<u>9,339,436</u>	<u>4,824,292</u>	<u>7,148,567</u>	<u>7,094,685</u>	<u>8,721,657</u>	<u>6,322,741</u>	<u>8,612,440</u>	<u>6,349,682</u>
Total primary government net position	<u>\$ 71,623,743</u>	<u>\$ 71,317,381</u>	<u>\$ 70,900,343</u>	<u>\$ 68,017,352</u>	<u>\$ 69,207,970</u>	<u>\$ 69,843,613</u>	<u>\$ 72,100,130</u>	<u>\$ 73,291,292</u>	<u>\$ 77,834,958</u>	<u>\$ 80,124,888</u>

Schedule 2  
CITY OF REIDSVILLE, NORTH CAROLINA  
Changes in Net Position,  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,799,486	\$ 1,794,436	\$ 1,968,485	\$ 2,079,529	\$ 2,088,661	\$ 2,290,455	\$ 2,160,427	\$ 2,807,954	\$ 2,739,692	\$ 2,670,695
Public safety	6,461,783	7,339,282	7,012,681	7,074,162	7,270,006	7,870,960	7,629,156	8,023,570	9,156,930	9,772,736
Transportation	2,523,668	2,444,826	2,634,657	2,445,626	2,352,386	2,409,530	2,371,482	1,898,636	2,277,826	2,539,696
Environmental protection	1,494,710	1,526,865	1,729,846	1,786,515	1,989,046	1,737,152	1,874,090	1,785,337	2,180,860	2,122,321
Cultural and recreational	1,788,652	1,764,649	1,780,274	2,096,317	2,077,625	2,077,674	1,905,509	2,206,140	2,530,807	2,704,720
Economic and physical development	681,878	725,178	847,500	612,795	644,984	741,847	934,875	868,701	804,296	665,549
Total governmental activities	<u>14,750,177</u>	<u>15,595,236</u>	<u>15,973,443</u>	<u>16,094,944</u>	<u>16,422,708</u>	<u>17,127,618</u>	<u>16,875,539</u>	<u>17,590,338</u>	<u>19,690,411</u>	<u>20,475,717</u>
Business-type activities:										
Water	3,336,920	3,729,404	3,716,245	3,761,745	3,900,955	3,945,255	4,103,126	4,042,238	4,664,387	5,166,502
Sewer	4,310,445	4,184,161	4,428,927	4,326,853	4,375,781	4,518,095	4,495,954	4,975,627	5,540,517	5,775,863
Total business-type activities	<u>7,647,365</u>	<u>7,913,565</u>	<u>8,145,172</u>	<u>8,088,598</u>	<u>8,276,736</u>	<u>8,463,350</u>	<u>8,599,080</u>	<u>9,017,865</u>	<u>10,204,904</u>	<u>10,942,365</u>
Total primary government expenses	<u>\$ 22,397,542</u>	<u>\$ 23,508,801</u>	<u>\$ 24,118,615</u>	<u>\$ 24,183,542</u>	<u>\$ 24,699,444</u>	<u>\$ 25,590,968</u>	<u>\$ 25,474,619</u>	<u>\$ 26,608,203</u>	<u>\$ 29,895,315</u>	<u>\$ 31,418,082</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 84,979	\$ 108,242	\$ 186,027	\$ 80,252	\$ 97,696	\$ 82,887	\$ 123,540	\$ 115,100	\$ 226,828	\$ 250,167
Public safety	6,891	4,760	5,776	3,722	4,208	5,671	3,471	3,929	6,028	8,654
Environmental protection	419,886	417,500	430,876	407,341	439,594	467,357	495,987	486,193	505,560	549,438
Cultural and recreational	278,098	256,337	285,123	346,707	373,473	402,314	314,553	386,021	425,043	413,174
Operating grants and contributions:										
General government	-	204,107	246,087	119,700	119,700	60,861	-	-	-	223,497
Public safety	201,960	220,136	225,669	232,744	241,787	250,158	367,580	281,358	369,391	315,949
Transportation	443,876	441,251	434,101	430,475	422,917	420,778	398,936	476,289	472,917	518,675
Cultural and recreational	147,368	20,322	44,272	21,104	42,730	45,944	78,157	89,698	41,397	78,988
Economic and physical development	-	-	-	-	-	-	-	-	-	7,850
Capital grants and contributions:										
General government	-	-	-	-	-	80,000	199,075	117,089	231,536	-
Cultural and recreational	32,028	47,797	141,870	53,976	101,767	33,585	31,594	187,177	719,476	142,008
Economic and physical development	1,079	563	3,949	4,722	5,489	3,816	229	1,075	11,208	13,703
Total governmental activities program revenues	<u>1,816,165</u>	<u>1,721,015</u>	<u>2,003,750</u>	<u>1,700,743</u>	<u>1,849,361</u>	<u>1,853,371</u>	<u>2,013,122</u>	<u>2,143,929</u>	<u>3,009,384</u>	<u>2,522,103</u>

(Continued)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water	3,355,725	3,428,754	3,931,835	3,593,758	4,087,840	3,888,939	4,124,430	3,871,633	4,822,188	4,656,150
Sewer	4,440,241	4,385,392	5,009,506	4,812,132	4,962,743	4,884,606	5,066,689	5,016,633	5,170,140	5,274,649
<b>Operating grants and contributions:</b>										
Water	-	-	-	-	-	7,500	-	50,250	-	-
Sewer	-	-	-	-	-	150,000	-	-	-	-
<b>Capital grants and contributions:</b>										
Water	-	-	-	1,807,357	-	-	87,000	-	194,400	121,973
Sewer	-	-	20,937	55,698	62,253	577,832	874,791	506,340	1,176,758	821,075
<b>Total business-type activities program revenues</b>	<b>7,795,966</b>	<b>7,814,146</b>	<b>8,962,278</b>	<b>10,268,945</b>	<b>9,112,836</b>	<b>9,508,877</b>	<b>10,152,910</b>	<b>9,444,856</b>	<b>11,363,486</b>	<b>10,873,847</b>
<b>Total primary government program revenues</b>	<b>\$ 9,412,131</b>	<b>\$ 9,535,161</b>	<b>\$ 10,966,028</b>	<b>\$ 11,969,688</b>	<b>\$ 10,962,197</b>	<b>\$ 11,362,248</b>	<b>\$ 12,166,032</b>	<b>\$ 11,588,785</b>	<b>\$ 14,372,870</b>	<b>\$ 13,395,950</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (13,134,012)	\$ (13,874,221)	\$ (13,969,693)	\$ (14,394,201)	\$ (14,573,347)	\$ (15,274,247)	\$ (14,862,417)	\$ (15,446,409)	\$ (16,681,027)	\$ (17,953,614)
Business-type activities	148,601	(99,419)	817,106	2,180,347	836,100	1,045,527	1,553,830	426,991	1,158,582	(68,518)
<b>Total primary government net (expense)/revenue</b>	<b>\$ (12,985,411)</b>	<b>\$ (13,973,640)</b>	<b>\$ (13,152,587)</b>	<b>\$ (12,213,854)</b>	<b>\$ (13,737,247)</b>	<b>\$ (14,228,720)</b>	<b>\$ (13,308,587)</b>	<b>\$ (15,019,418)</b>	<b>\$ (15,522,445)</b>	<b>\$ (18,022,132)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Ad valorem taxes	\$ 8,265,235	\$ 8,706,861	\$ 8,663,160	\$ 8,404,263	\$ 8,485,577	\$ 8,905,576	\$ 8,988,802	\$ 9,177,173	\$ 9,332,114	\$ 9,122,979
Local Option Sales Tax	2,686,735	2,807,835	3,113,265	3,216,627	3,410,006	3,549,384	4,129,607	4,849,742	5,311,963	5,315,822
Other taxes	234,925	111,283	79,370	77,518	103,009	96,697	112,222	124,534	161,951	168,983
Unrestricted intergovernmental revenue	1,730,890	1,815,333	1,912,343	2,056,840	2,142,604	1,820,868	1,920,137	1,867,073	3,891,873	3,773,448
Unrestricted investment earnings	3,942	13,476	21,473	64,359	120,010	78,582	8,778	26,822	414,020	636,738
Miscellaneous	183,231	189,041	134,814	137,159	252,007	325,404	189,184	124,881	247,230	344,624
Gain on sale of capital assets	27,429	1,256	142,750	547,115	281,950	773	208,314	24,189	265,438	585,072
Transfers	230,200	-	(212,100)	7,500	10,000	-	-	-	-	-
<b>Total governmental activities:</b>	<b>13,362,587</b>	<b>13,645,085</b>	<b>13,855,075</b>	<b>14,511,381</b>	<b>14,805,163</b>	<b>14,777,284</b>	<b>15,557,044</b>	<b>16,194,414</b>	<b>19,624,589</b>	<b>19,947,666</b>
<b>Business-type activities:</b>										
Investment earnings	7,947	15,561	21,382	63,123	119,902	82,347	8,060	13,937	309,622	364,396
Miscellaneous	4,159	6,632	243,477	6,976	22,195	4,732	-	2,229	131,900	-
Gain (loss) on sale of capital assets	-	-	-	-	(9,395)	-	-	-	-	-
Transfers	(230,200)	-	212,100	(7,500)	(10,000)	-	-	-	-	-
<b>Total business-type activities</b>	<b>(218,094)</b>	<b>22,193</b>	<b>476,959</b>	<b>62,599</b>	<b>122,702</b>	<b>87,079</b>	<b>8,060</b>	<b>16,166</b>	<b>441,522</b>	<b>364,396</b>
<b>Total primary government</b>	<b>\$ 13,144,493</b>	<b>\$ 13,667,278</b>	<b>\$ 14,332,034</b>	<b>\$ 14,573,980</b>	<b>\$ 14,927,865</b>	<b>\$ 14,864,363</b>	<b>\$ 15,565,104</b>	<b>\$ 16,210,580</b>	<b>\$ 20,066,111</b>	<b>\$ 20,312,062</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 228,575	\$ (229,136)	\$ (114,618)	\$ 117,180	\$ 231,816	\$ (496,963)	\$ 694,627	\$ 748,005	\$ 2,943,562	\$ 1,994,052
Business-type activities	(69,493)	(77,226)	1,294,065	2,242,946	958,802	1,132,606	1,561,890	443,157	1,600,104	295,878
<b>Total primary government</b>	<b>\$ 159,082</b>	<b>\$ (306,362)</b>	<b>\$ 1,179,447</b>	<b>\$ 2,360,126</b>	<b>\$ 1,190,618</b>	<b>\$ 635,643</b>	<b>\$ 2,256,517</b>	<b>\$ 1,191,162</b>	<b>\$ 4,543,666</b>	<b>\$ 2,289,930</b>

Schedule 3  
CITY OF REIDSVILLE, NORTH CAROLINA  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non Spendable										
Inventories	\$ 102,872	\$ 88,151	\$ 97,387	\$ 96,349	\$ 99,128	\$ 100,516	\$ 112,147	\$ 199,096	\$ 174,541	\$ 160,213
Prepaid Items	3,475	19,328	34,578	33,427	25,339	11,402	41,952	76,858	246,603	29,503
Lease Receivable, Net	-	-	-	-	-	-	-	-	3,599	5,462
Restricted										
Stabilization by State Statute	3,466,770	3,380,371	3,999,394	4,133,000	2,682,929	3,640,779	4,766,523	7,216,356	4,374,121	4,361,951
Public Safety	39,975	63,146	58,157	48,176	54,376	67,310	47,865	25,961	121,816	37,344
Streets	-	-	16,127	-	-	26,212	1,933	129,518	114,784	160,883
Debt Service	48,305	258,305	246,475	246,475	246,475	246,475	246,475	246,475	246,475	246,475
Committed										
LEO Special Separation Allowance	-	317,894	304,487	297,337	295,217	296,882	286,795	277,945	296,264	308,944
Capital Projects	-	-	-	-	-	-	-	-	-	550,000
Downtown District	-	-	-	-	79,039	79,039	87,908	50,908	83,223	97,034
Assigned										
Subsequent Year's Expenditures	-	421,600	197,400	49,000	130,400	71,700	-	-	-	-
Pledges to be Received	-	215,900	15,369	34,594	27,711	11,973	4,000	-	-	-
Internal Service Funds	116,697	137,746	134,727	171,515	-	-	-	-	-	-
Unassigned	4,781,162	5,299,975	5,559,111	5,938,542	6,133,634	6,320,874	7,735,740	6,599,030	8,372,871	9,148,055
<b>Total General Fund</b>	<b>\$ 8,559,256</b>	<b>\$ 10,202,416</b>	<b>\$ 10,663,212</b>	<b>\$ 11,048,415</b>	<b>\$ 9,774,248</b>	<b>\$ 10,873,162</b>	<b>\$ 13,331,338</b>	<b>\$ 14,822,147</b>	<b>\$ 14,034,297</b>	<b>\$ 15,105,864</b>
All Other Governmental Funds										
Restricted										
Stabilization by State Statute	\$ 3,569	\$ 1,591	\$ 576,742	\$ 6,607	\$ 7,175	\$ 2,654	\$ 12,010	\$ 10,878	\$ 460,430	\$ 60,711
Public Safety	520,608	-	-	-	-	-	-	-	-	-
Committed										
Downtown District	58,146	49,781	25,405	100,445	20,471	35,566	48,158	35,829	59,239	30,369
Special Revenues	-	-	-	-	-	57,172	47,877	49,263	28,478	14,839
Capital Projects	5,927,902	2,698,865	225,568	227,279	237,750	255,627	473,147	125,112	1,087,636	385,548
Unassigned	-	-	(629,850)	(90,722)	(4,168)	(41,228)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 6,510,225</b>	<b>\$ 2,750,237</b>	<b>\$ 197,865</b>	<b>\$ 243,609</b>	<b>\$ 261,228</b>	<b>\$ 309,791</b>	<b>\$ 581,192</b>	<b>\$ 221,082</b>	<b>\$ 1,635,783</b>	<b>\$ 491,467</b>
<b>Total governmental funds</b>	<b>\$ 15,069,481</b>	<b>\$ 12,952,653</b>	<b>\$ 10,861,077</b>	<b>\$ 11,292,024</b>	<b>\$ 10,035,476</b>	<b>\$ 11,182,953</b>	<b>\$ 13,912,530</b>	<b>\$ 15,043,229</b>	<b>\$ 15,670,080</b>	<b>\$ 15,597,331</b>

Schedule 4  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Ad Valorem Taxes	\$ 8,665,518	\$ 8,718,130	\$ 8,700,113	\$ 8,435,039	\$ 8,531,032	\$ 8,916,299	\$ 9,025,953	\$ 9,187,701	\$ 9,358,986	\$ 9,103,462
Other Taxes	2,921,660	2,919,118	3,192,635	3,294,145	3,513,015	3,646,081	4,241,829	4,974,276	5,473,914	5,484,805
Unrestricted Intergovernmental	1,546,572	1,611,057	1,595,924	1,596,842	1,603,518	1,536,123	1,538,408	1,536,479	1,586,723	1,658,375
Fees from ABC Board	67,996	94,023	106,634	132,051	155,646	190,713	240,088	211,309	129,830	113,042
Restricted Intergovernmental	687,311	917,985	1,111,997	1,028,780	977,552	1,091,245	1,505,732	1,214,134	3,868,749	3,320,338
Permits and Fees	486,041	503,376	584,134	466,603	511,290	515,481	571,377	564,993	678,288	759,455
Sales and Services	472,564	395,299	620,596	1,088,884	847,179	591,793	749,259	641,828	934,702	1,217,021
Investment Income	5,649	14,565	25,601	69,080	125,498	82,399	9,007	27,983	425,228	650,441
Miscellaneous	295,472	203,783	212,237	103,248	285,797	416,586	138,966	97,718	335,050	237,452
<b>Total Revenues</b>	<b>15,148,783</b>	<b>15,377,336</b>	<b>16,149,871</b>	<b>16,214,672</b>	<b>16,550,527</b>	<b>16,986,720</b>	<b>18,020,619</b>	<b>18,456,421</b>	<b>22,791,470</b>	<b>22,544,391</b>
<b>Expenditures</b>										
General Government	1,819,646	1,690,310	1,766,221	1,936,353	1,921,847	1,976,185	1,827,254	2,028,530	2,442,573	2,461,523
Public Safety	6,249,840	6,953,607	6,516,109	6,693,246	6,704,518	6,911,574	6,875,143	7,651,649	8,185,511	8,639,216
Transportation	1,491,175	1,395,493	1,536,475	1,509,168	1,467,871	1,561,394	1,580,629	1,453,880	1,608,345	1,863,510
Environmental Protection	1,415,081	1,419,933	1,588,633	1,558,371	1,606,078	1,534,545	1,674,545	1,695,257	1,939,028	1,858,888
Cultural and Recreational	1,113,886	1,507,442	1,459,731	1,600,022	1,541,767	1,498,312	1,188,390	1,560,275	1,256,546	1,995,269
Economic and Physical Development	622,702	696,231	867,888	631,705	699,275	782,327	974,734	958,467	1,545,685	744,537
Capital Outlay	2,424,010	4,371,149	2,931,983	1,327,383	1,777,941	839,942	1,759,115	2,503,448	4,598,570	4,534,375
Debt Service:										
Principal	189,316	282,484	6,255,443	337,532	343,516	324,027	232,456	309,519	444,215	505,577
Interest	20,570	41,418	141,428	156,973	149,392	141,549	134,146	127,823	168,701	154,775
<b>Total Expenditures</b>	<b>15,346,226</b>	<b>18,358,067</b>	<b>23,063,911</b>	<b>15,750,753</b>	<b>16,212,205</b>	<b>15,567,855</b>	<b>16,246,412</b>	<b>18,288,848</b>	<b>22,189,174</b>	<b>22,777,670</b>
Excess (deficiency) of revenues over (under) expenditures	(197,443)	(2,980,731)	(6,914,040)	463,919	338,322	1,418,865	1,774,207	167,573	602,296	(233,279)
<b>Other Financing Sources (Uses)</b>										
Transfers in	327,200	5,000	250,000	-	97,000	57,172	-	-	3,313,344	1,898,582
Transfers out	(72,000)	-	(498,300)	(17,500)	(1,689,092)	(57,172)	(3,000)	(14,500)	(3,313,344)	(1,904,282)
Debt Proceeds	6,783,000	475,000	5,080,000	(14,434)	-	-	970,000	1,064,575	-	151,903
<b>Total other financing sources (uses)</b>	<b>7,038,200</b>	<b>480,000</b>	<b>4,831,700</b>	<b>(31,934)</b>	<b>(1,592,092)</b>	<b>-</b>	<b>967,000</b>	<b>1,050,075</b>	<b>-</b>	<b>146,203</b>
<b>Net change in fund balances</b>	<b>\$ 6,840,757</b>	<b>\$ (2,500,731)</b>	<b>\$ (2,082,340)</b>	<b>\$ 431,985</b>	<b>\$ (1,253,770)</b>	<b>\$ 1,418,865</b>	<b>\$ 2,741,207</b>	<b>\$ 1,217,648</b>	<b>\$ 602,296</b>	<b>\$ (87,076)</b>
Debt service as a percentage of noncapital expenditures	1.62%	2.32%	31.77%	3.43%	3.41%	3.16%	2.53%	2.77%	3.48%	3.62%

Schedule 5

CITY OF REIDSVILLE, NORTH CAROLINA

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service Companies (1)	Total Taxable Assessed Value	City Tax Rate (2)	Downtown District Tax Rate (2)	Total Direct Tax Rate (2) (4)
2015	\$ 826,786,694	\$ 280,846,286	\$ 33,857,875	\$ 1,141,490,855	0.74	0.25	0.75
2016	830,402,553	281,212,049	33,857,875	1,145,472,477	0.74	0.25	0.75
2017	830,712,107	279,808,594	34,930,658	1,145,451,359	0.74	0.25	0.75
2018	833,715,582	261,882,667	35,055,946	1,130,654,195	0.74	0.25	0.75
2019	844,524,584	260,355,051	36,043,757	1,140,923,392	0.74	0.25	0.75
2020(3)	885,044,636	274,965,004	37,247,874	1,197,257,514	0.739	0.25	0.75
2021	906,041,968	264,809,471	37,683,972	1,208,535,411	0.739	0.25	0.75
2022	929,335,660	240,013,558	40,516,373	1,209,865,591	0.739	0.25	0.75
2023	947,072,092	254,495,915	42,412,073	1,243,980,080	0.739	0.25	0.75
2024	965,087,292	230,789,465	35,192,531	1,231,069,288	0.739	0.25	0.75

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Public service companies' valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (2) Per \$100 of value.
- (3) Property in the City is reassessed every four to eight years. Reassessments were completed for values as of January 1, 2019.
- (4) The Total Direct Tax Rate is derived by applying the Downtown District Tax Rate to applicable property and adding that to the application of the City Tax Rate to all properties.

Schedule 6  
**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City Tax Rate (1)</u>	<u>Downtown District Tax Rate (1)</u>	<u>Total Direct Tax Rate (1) (2)</u>	<u>Rockingham County Tax Rate (1)</u>
2015	\$ 0.74	\$ 0.25	\$ 0.75	\$ 0.696
2016	0.74	0.25	0.75	0.696
2017	0.74	0.25	0.75	0.696
2018	0.74	0.25	0.75	0.696
2019	0.74	0.25	0.75	0.696
2020	0.739	0.25	0.75	0.695
2021	0.739	0.25	0.75	0.695
2022	0.739	0.25	0.75	0.695
2023	0.739	0.25	0.75	0.695
2024	0.739	0.25	0.75	0.695

Notes

(1) Per \$100 of value.

(2) The Total Direct Tax Rate is derived by applying the Downtown District Tax Rate to applicable property and adding that to the application of the City Tax Rate to all properties.

Source: City of Reidsville and Rockingham County annual adopted budgets.

Schedule 7  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Principal Property Tax Payers,  
 Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2024			Fiscal Year 2015		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Henninges Automotive	Auto Parts Manufacturing	\$ 40,176,785	1	3.26%	\$ 23,343,349	3	2.04%
Deoro Foods Corp.	Food Processing	31,102,401	2	2.53%	18,394,860	5	1.61%
Duke Energy Carolinas	Public Utility	28,439,875	3	2.31%	17,504,098	6	1.53%
Woodland Heights	Apartments	27,403,651	4	2.23%	13,577,975	8	1.19%
Global Textile Alliance, Inc.	Textiles	19,004,636	5	1.54%	21,282,889	4	1.86%
Amcor Specialty Cartons	Package Manufacturing	15,306,817	6	1.24%	11,636,936	9	1.02%
Banc of America Leasing	Equipment	15,089,429	7	1.23%	*	*	*
Walmart Real Est	Retail Sales	13,598,614	8	1.10%	15,773,738	7	1.38%
Alcan Packaging	Package Manufacturing	11,727,222	9	0.95%	10,439,911	10	0.91%
Unifi Manufacturing	Textiles	11,601,629	10	0.94%	*	*	*
Commonwealth Brands, Inc	Tobacco Manufacturing	*	*	*	105,272,830	1	9.22%
Ball Metal	Can Manufacturing	*	*	*	31,737,793	2	2.78%
Totals		\$ <u>213,451,059</u>		<u>17.34%</u>	\$ <u>268,964,379</u>		<u>23.56%</u>

Source: Rockingham County Tax Department.



Schedule 8  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2015	\$ 8,477,427	\$ 8,359,730	98.61%	\$ 116,564	\$ 8,476,294	99.99%
2016	8,689,181	8,574,845	98.68%	114,424	8,689,269	100.00%
2017	8,664,965	8,546,673	98.63%	102,472	8,649,145	99.82%
2018	8,404,908	8,293,205	98.67%	94,462	8,387,667	99.79%
2019	8,456,079	8,368,761	98.97%	68,439	8,437,200	99.78%
2020	8,873,342	8,760,255	98.73%	99,443	8,859,698	99.85%
2021	8,950,740	8,846,160	98.83%	74,196	8,920,356	99.66%
2022	9,138,103	9,030,219	98.82%	67,681	9,097,900	99.56%
2023	9,273,585	9,165,997	98.84%	278,022	9,444,019	101.84%
2024	9,110,264	8,994,194	98.73%	n/a	8,994,194	98.73%

Source: Rockingham County Tax Department, City of Reidsville Finance Department

Note: Some Percentages may exceed 100% because levies have not been adjusted for discoveries in subsequent years.

Schedule 9  
CITY OF REIDSVILLE, NORTH CAROLINA  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	Capital Financing	Notes Payable	IT Subscriptions	Capital Financing	Revenue Bonds	Notes Payable			
2015	\$ 1,506,604	\$ 6,000,000	\$ -	\$ 509,994	\$ 12,946,000	\$ 10,127,196	\$ 31,089,794	\$ 2,175	8.19%
2016	1,699,120	6,000,000	-	437,137	12,407,000	12,046,272	32,589,529	2,294	8.50%
2017	1,443,677	5,080,000	-	349,710	11,852,000	12,048,734	30,774,121	2,173	7.63%
2018	1,183,936	5,002,479	-	262,290	11,279,000	11,119,205	28,846,910	2,038	7.01%
2019	919,782	4,923,117	-	174,863	10,688,000	10,493,685	27,199,447	1,919	5.77%
2020	677,002	4,841,870	-	87,436	10,079,000	10,362,642	26,047,950	1,825	5.73%
2021	1,497,723	4,758,693	-	-	9,451,000	9,696,015	25,403,431	1,780	4.94%
2022	2,337,931	4,673,541	-	-	8,802,000	9,029,388	24,842,860	1,704	4.80%
2023	1,980,890	4,586,367	-	-	8,134,000	7,999,521	22,700,778	1,566	4.11%
2024	1,615,192	4,497,122	101,269	-	7,445,000	7,332,894	20,991,477	1,421	*

\* Information not yet available

Notes:

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

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Schedule 10**  
**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
2015	\$ -	0.00%	0.00%	\$ -
2016	-	0.00%	0.00%	-
2017	-	0.00%	0.00%	-
2018	-	0.00%	0.00%	-
2019	-	0.00%	0.00%	-
2020	-	0.00%	0.00%	-
2021	-	0.00%	0.00%	-
2022	-	0.00%	0.00%	-
2023	-	0.00%	0.00%	-
2024	-	0.00%	0.00%	-

**Notes:**

Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See Schedule 5 for property value data.

Schedule 11  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 (dollars in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed Value of Property	\$ 1,141,491	\$ 1,145,472	\$ 1,145,451	\$ 1,130,654	\$ 1,140,923	\$ 1,197,258	\$ 1,208,355	\$ 1,209,866	\$ 1,243,980	\$ 1,231,069
Debt Limit, 8% of Assessed Value (Statutory Limitation)	91,319	91,638	91,636	90,452	91,274	95,781	96,668	96,789	99,518	98,486
Amount of Debt Applicable to Limit										
Gross bonded debt	-	-	-	-	-	-	-	-	-	-
Less: Debt outstanding for water and sewer purposes	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 91,319</u>	<u>\$ 91,638</u>	<u>\$ 91,636</u>	<u>\$ 90,452</u>	<u>\$ 91,274</u>	<u>\$ 95,781</u>	<u>\$ 96,668</u>	<u>\$ 96,789</u>	<u>\$ 99,518</u>	<u>\$ 98,486</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note:  
 NC Statute GS159-55 limits the City's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit, and represents the City's legal borrowing authority.

Schedule 12  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2024

<u>Governmental Unit</u>	<u>Net Governmental Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Reidsville	\$ 6,213,583	100.00%	\$ 6,213,583
Overlapping: Rockingham County	\$ 50,072,120	15.67% *	<u>7,844,910</u>
Total direct and overlapping debt			<u><u>\$ 14,058,493</u></u>

\*The overlapping rate for Rockingham County is an estimate of the assessed value for the City as a percentage the assessed value of the County.

Schedule 13  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Estimated Demographic and Economic Statistics  
 Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (thousands of dollars)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	14,293	\$ 379,811	\$ 26,573	7.80%
2016	14,205	383,360	26,988	7.20%
2017	14,164	403,094	28,459	4.80%
2018	14,152	411,778	29,097	4.80%
2019	14,171	471,766	33,291	4.00%
2020	14,275	454,894	31,867	15.80%
2021	14,583	514,720	35,296	8.40%
2022	14,524	517,110	35,604	5.45%
2023	14,495	552,192	38,095	4.00%
2024	14,773	*	*	3.60%

\* Information not yet available.

Notes:

(1) NC State Data Center. Estimates are as of beginning of fiscal year.

(2) Calculated by multiplying Population by Per Capita Personal Income.

(3) US Department of Commerce, Bureau of Economic Analysis. (Rockingham Co. adjusted)

(4) NC Division of Employment Security, Rockingham County Annual Average for prior calendar year.

**Schedule 14**  
**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Cone Health - Annie Penn Hospital	553	1	13.15%	600	1	14.27%
Dorada Foods	418	2	9.94%	423	2	10.06%
Hennings Automotive	303	3	7.21%	229	5	5.45%
Unifi Manufacturing Inc.	274	4	6.52%	225	7	5.35%
Wal-Mart	260	5	6.18%	235	6	5.59%
City of Reidsville	200	6	4.76%	196	9	4.66%
Amcor Tobacco Packaging	177	7	4.21%	*	*	*
Guy & O'Neill	130	8	3.09%	*	*	*
Beta Fluid Systems	125	9	2.97%	*	*	*
Global Textile Alliance, Inc	97	10	2.31%	279	3	6.63%
Commonwealth Brands	*	*	*	253	4	6.02%
Ball Metal	*	*	*	187	10	4.45%
Albaad USA	*	*	*	200	8	4.76%
Total	<u>2,537</u>		<u>60.33%</u>	<u>2,827</u>		<u>67.24%</u>

Source: Rockingham County Partnership for Economic and Tourism Development.

\*Although some of these Employers may have existed in 2015 or still exist in 2024, their employment level was below that tracked for purposes of this schedule.

Schedule 15  
 CITY OF REIDSVILLE, NORTH CAROLINA  
 Full-time Equivalent City Employees by Function,  
 Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	25	24	25	25	25	25	25	25	25	24
Public safety	85	83	83	83	83	83	83	83	83	86
Transportation	23	22	22	22	22	22	22	22	22	22
Environmental protection	17	18	18	18	18	18	18	18	18	18
Cultural and recreation	12	11	11	11	11	11	11	11	11	12
Economic and physical development	-	1	1	1	1	1	1	1	1	1
Water/Sewer (Business activity)	33	33	33	33	33	34	34	34	34	35
<b>Total</b>	<u>195</u>	<u>192</u>	<u>193</u>	<u>193</u>	<u>193</u>	<u>194</u>	<u>194</u>	<u>194</u>	<u>194</u>	<u>198</u>

Source: City Personnel Department

Note: This schedule represents number of budgeted positions for each fiscal year.



Schedule 16  
**CITY OF REIDSVILLE, NORTH CAROLINA**  
**Miscellaneous Statistics, Operating Indicators and Capital Asset Statistics by Function/Program,**  
**Last Ten Fiscal Years**

Date of Incorporation: 1873

Form of Government: Council/Manager

Area in Square Miles: 16.18

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Number of Government Facilities and Services:										
Miles of Streets:	91.91	91.94	91.94	91.94	91.94	91.94	91.94	91.94	91.94	91.94
Number of Street Lights:	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Cultural and Recreational Community										
Centers:	4	4	4	4	4	4	4	4	4	4
Parks and Playgrounds:	9	9	9	9	9	9	9	9	9	9
Fire Protection										
Number of Stations:	3	3	3	3	3	3	3	3	3	3
Number of Calls Answered:	2,336	2,415	2,437	2,247	2,115	1,519	794	1,101	2,194	2,190
Number of Inspections Conducted:	541	283	398	452	485	202	78	121	118	321
Police Protection										
Number of Stations:	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units:	49	50	50	50	50	50	50	50	54	54
Number of Law Violations:										
Physical Arrests & Citations:	3,379	3,812	3,250	2,648	3,748	4,043	1,770	978	4,236	4,375
Incident Reports:	4,925	5,683	4,829	4,157	2,218	2,566	2,137	2,225	3,143	1,941
Sewerage System										
Miles of Sanitary Sewers:	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76
Number of Treatment Plants:	1	1	1	1	1	1	1	1	1	1
Number of Utility Customers:	5,842	5,896	5,903	6,052	6,187	6,237	6,323	6,302	6,301	6,310
Daily Average Treatment (MGD):	2.01	2.63	2.35	2.26	2.62	2.50	2.48	2.32	2.23	2.21
Maximum Daily Capacity of Treatment Plant (MGD):	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Water System										
Miles of Water Mains:	115.73	115.81	115.81	115.81	115.81	115.81	115.81	115.81	115.81	115.81
Number of Utility Customers:	6,584	6,641	6,653	6,810	6,956	7,010	7,099	7,072	7,077	7,093
Number of Fire Hydrants:	757	757	757	757	757	757	757	757	757	757
Daily Average Consumption (MGD):	3.44	3.61	4.47	4.03	4.30	4.06	4.21	4.42	4.54	4.79
Maximum Daily Capacity of Plant (MGD):	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Notes:  
(MGD) Million Gallons per Day

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