CITY OF ROANOKE RAPIDS, NORTH CAROLINA

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2024

GREGORY T. REDMAN, CPA
TARBORO, NORTH CAROLINA

Financial Statements

City of Roanoke Rapids, North Carolina

<u>Board of Commissioners</u>

Emery G. Doughtie, Mayor
Warren Bell
Sandra Bryant
Rex Stainback
Curtis Strickland

<u>Administrative and Financial Staff</u>

Kelly Traynham, City Manager
Carmen Johnson, Finance Director

City of Roanoke Rapids, North Carolina
Table of Contents
June 30, 2024

Financial Section

Gregory T. Redman, CPA

GTR

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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinion

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Roanoke Rapids, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Roanoke Rapids, North Carolina's basic financial statements as listed in the table of contents.

In my opinion, based on my audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Roanoke Rapids, North Carolina as of June 30, 2024, and the respective changes in financial position, and budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Roanoke Rapids, North Carolina and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Audit of the Financial Statements

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

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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 City of Roanoke Rapids, North Carolina's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

I am 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 I 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, Other Postemployment Benefits' Schedules of Changes in Total OPEB Liability and Related Ratios, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability, and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Roanoke Rapids, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are presented purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the State Single Audit Implementation Act 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 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 my opinion based on my audit the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole and the schedule of expenditures of federal and State awards.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 30, 2024, on my consideration of the City of Roanoke Rapids, North Carolina's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Roanoke Rapids, North Carolina's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Roanoke Rapids, North Carolina's internal control over financial reporting and compliance.

Gregory T. Redman, CPA

Gregory T. Redman, CPA
Tarboro, North Carolina
October 30, 2024

Management’s Discussion and Analysis

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

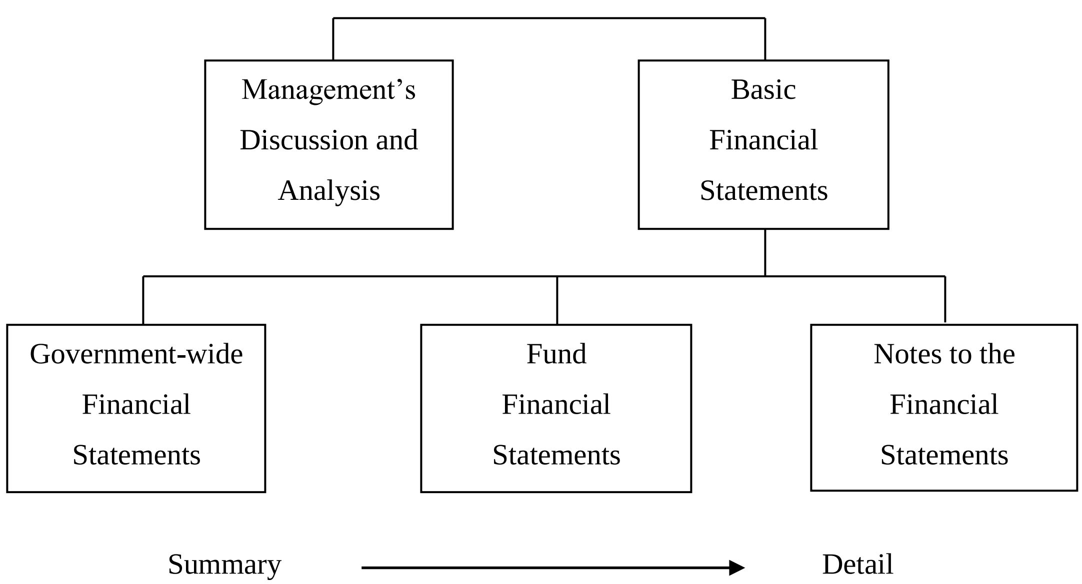
Financial Highlights

- The assets and deferred outflows of the City of Roanoke Rapids exceeded its liabilities and deferred inflows at the close of the fiscal year by $9,484,577.
- As of close of the current fiscal year, the City of Roanoke Rapids' governmental funds reported combined ending fund balances of $13,012,993 with a net increase of $2,811,087 in fund balance. Approximately 84% of this total amount, or $8,546,337, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was $11,819,538 or 65% of total general fund expenditures for the 2024 fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Roanoke Rapids' basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Roanoke Rapids.

Required Components of Annual Financial Report



Basic Financial Statements

The first two statements 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 are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statement; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes to the Basic Financial Statements**. 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 they have changed. Net position is the difference between the City's total assets and total liabilities. Measuring net position is one way to gage the City's financial condition.

The government-wide statements report governmental activities. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities.

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 Roanoke Rapids, 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 Requirements of the City's budget ordinance. All of the funds of the City of Roanoke Rapids are governmental 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. The funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the funds financial statements.

The City of Roanoke Rapids 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 services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the budgetary basis of accounting and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements – The notes provide additional information that is essential for 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 Roanoke Rapids' progress in funding its obligation to provide pension benefits to its employees.

City of Roanoke Rapids' Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current assets	$ 13,735,137	$ 10,480,207
Capital assets	16,563,101	21,952,365
Restricted assets	249,045	582,930
Deferred outflows of resources	4,887,325	4,512,579
Total Assets and Deferred Outflows	$ 35,434,608	$ 37,528,081
Liabilities:		
Long-term liabilities outstanding	$ 21,381,816	$ 21,194,979
Other liabilities	2,193,293	1,944,141
Total Liabilities	$ 23,575,109	$ 23,139,120
Deferred Inflows of Resources	$ 2,374,922	$ 3,191,782
Net Position:		
Net investment in capital assets	$ 7,644,973	$ 11,902,157
Restricted net position	1,014,655	1,140,296
Unrestricted net position	824,949	(1,845,274)
Total Net Position	$ 9,484,577	$ 11,197,179

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Roanoke Rapids exceeded liabilities and deferred inflows by $9,484,577 as of June 30, 2024. The City of Roanoke Rapids uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Roanoke Rapids' investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

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

- Receipt of $2 million for the sale of the theater.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.21%. The statewide average in fiscal year 2024 was 99%.

City of Roanoke Rapids Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	$ 2,396,846	$ 2,602,472
Operating grants and contributions	1,254,774	4,454,644
Capital grants and contributions	-	-
General revenues:		
Property taxes	8,786,776	8,598,667
Other taxes	1,217,914	1,237,438
Grants and contributions not restricted to specific programs	5,019,868	4,687,489
Investment earnings	648,379	385,065
Miscellaneous	2,125,231	54,829
Total Revenues	$ 21,449,788	$ 22,020,604
Expenses:		
General government	$ 3,694,785	$ 3,520,541
Public safety	5,613,183	6,141,694
Transportation	1,949,646	1,898,308
Economic and physical development	1,123,929	1,696,442
Environmental Protection	2,222,708	2,405,848
Cultural and recreation	2,074,349	2,273,779
Loss on sale of capital assets	6,446,324	-
Interest on long-term debt	37,466	76,428
Total Expenses	$ 23,162,390	$ 18,013,040
Increase (decrease) in net position	$ (1,712,602)	$ 4,007,564
Net position, July 1	11,197,179	7,189,615
Net position, June 30	$ 9,484,577	$ 11,197,179

Governmental Activities – Governmental activities increased the City's net position by $2,811,087. The increase in net position was the result of increased revenue generation as well as continued effort to control costs and management expenditures. The City also received several large grants during the year. City management continued to reduce non-essential programs to a minimum and implemented cost saving strategies across City departments. Increased efforts to maximize tax collections also contributed to the favorable net position. City management acknowledges that 2024 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Financial Analysis of the City's Funds

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

Governmental Funds: The focus of the City of Roanoke Rapids' 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 Roanoke Rapids' financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Roanoke Rapids. At the end of the current fiscal year, unreserved fund balance of the General Fund was $11,819,538, while total fund balance reached $13,012,993. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 65 percent of total General Fund expenditures, while total fund balance represents 71 percent of that same amount.

At June 30, 2024, the governmental funds of City of Roanoke Rapids reported a combined fund balance of $13,012,993 with a net increase in fund balance of $2,811,087.

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 became necessary to maintain/increase services.

The growth rate of many of the City's General Fund revenues is directly tied to the state and local economics as well as population growth within the City. In order to maximize the use of available revenues the Fiscal Year 2023/2024 Budget was prepared as a continuation budget, providing only for the continuation of City operations at their current level.

Capital Asset and Debt Administration

Capital Assets: The City of Roanoke Rapids' investments in capital assets for its governmental activities as of June 30, 2024 total $16,563,101 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

City of Roanoke Rapids' Capital Assets

	Governmental Activities	
	2024	2023
Land and construction in progress	$ 2,130,513	$ 3,012,713
Buildings and systems	6,777,463	11,329,646
Machinery and equipment	7,655,125	7,610,006
Total	$ 16,563,101	$ 21,952,365

Additional information on the City's capital assets can be found in Note 2 of the Basic Financial Statements.

Long-term Debt. The Tax Increment Financing debt of $16,500,000 is backed by a letter of credit from Bank of America. The following revenues are to be used to make the debt service payments and are listed in order of priority: 1) Lease revenues; 2) Incremental Property Taxes from the 123 acres; and 3) General Sales Tax Revenues that come to the City. On May 10, 2017 the City entered into an agreement to refinance this debt into two separate Special Revenue Bonds. One of those bonds has been paid off.

General Obligation and Revenue Bonds

	Governmental Activities	
	2024	2023
Special revenue bonds	$ 6,873,396	$ 7,638,760
Installment notes payable	742,312	1,047,503
Lease liabilitiies	1,302,420	1,363,945
Total	$ 8,918,128	$ 10,050,208

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within the government's boundaries. The legal debt margin for the City of Roanoke Rapids is $97,040,323.

Additional information regarding the City of Roanoke Rapids' long-term debt can be found in Note 2 of this report.

Economic Overview

Data is from applications submitted to the Planning & Development Department.

Major Renovations & Building Additions

111 Carolina Crossroads Pkwy – **Hilton Garden Inn** – Hotel Renovations - $1,555,143.00
250 Smith Church Rd – **ECU North Hospital** – Renovation to Existing Food Service Line - $666,400.00
1209 Julian R Allsbrook Hwy – **Food** Lion – Renovation - $719,000.00
2500 W. 10th Street – **Food** Lion – Renovation - $475,390.00
298 Premier Boulevard – **Starbucks** – Renovation - $350,000.00
311 Premier Boulevard – **PetSupermarket** – Upfit for New pet store - $300,000.00
175 Roanoke Avenue – **Food Lion** – Renovation - $445,500.00
277 Premier Boulevard – **Suka Sushi** – Upfit for new sushi restaurant - $350,000.00

Total Construction Value - $5,131,957.00

Business Use Permits

The City's Planning & Development Department received **14** Business Use Permit Applications during the fiscal year. A permit is required for new or relocation of businesses occupancy throughout the City's Planning & Zoning jurisdiction. Many businesses range from restaurants, sweepstakes, professional offices, clerical operations, service, manufacturing, and retail stores. Applications included:

Sales & Rental of Goods, Merchandise & Equipment: Miscellaneous: 2.111

832 Julian R. Allsbrook Hwy – **S & L Laundromat -** Laundromat
1730 B Julian R Allsbrook Hwy – **The Wash House -** Laundromat
406 Becker Drive – **Red Rabbit Coffee –** Coffee Shop
1121 E. 10th Street – **GrabNgo1** – Tobacco Shop
1116 Julian R Allsbrook Hwy – **Julian Tobacco and Vape NC LLC –** Tobacco Shop
1031 E. 10th Street – **Quality** Tattoo – Tattoo Shop
113 W. 10th Street – **Vita Bella Beauty Salon** – Beauty Salon
2451 Bolling Road – **Connection with Care** – Mental Health Office
1423 Marshall Street – **Arthur Fenner Outreach Center** – Mental Health Office
524 Hwy 125 – **Southern Corrosion** – Office
828 Roanoke Avenue – **Grimes Insurance -** Office

Recreation/Amusement/Entertainment: 6.110

1040 E 10th Street**- Jackpot Bingo**- Bingo

Restaurants: 8.110

277 Premier Boulevard – **Suka** Sushi **-** Restaurant

Automotive: 9.300

1106 Roanoke Avenue – **Toque Racing Supply -** Automotive supply sales

Budget Highlights for the Fiscal Year Ending June 30, 2025

The City of Roanoke Rapids' Budget contains several revenue sources that are dependent on the general economy. Among these are sales tax, property tax, interest income and user and permit fees. The budget provides high level of funding for police and fire protection, and addressing public health, safety and appearance issues through solid waste and refuse collection, funding for a more aggressive enforcement of the City's minimum housing code, vehicle and nuisance ordinances. Overall tax base revenue represents 53% of the total general fund revenue budget for fiscal year 2024/2025. Employee compensation, including benefits accounts for the majority of the budgeted expenditures.

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:

Director of Finance
City of Roanoke Rapids
Post Office Box 38
Roanoke Rapids, North Carolina 27870

Basic Financial Statements

City of Roanoke Rapids, North Carolina
Statement of Net Position
June 30, 2024

Exhibit 1

		Governmental Activities
Assets		
Current Assets:		
Cash and cash equivalents	$	12,375,750
Taxes receivable (net)		224,508
Accounts receivable (net)		914,499
Accrued interest receivable		79,310
Due from other governmental agencies		100,156
Lease receivable		-
Inventories		40,914
Prepaid expense		-
Total Current Assets	$	13,735,137
Restricted Assets:		
Restricted cash	$	249,045
Capital Assets:		
Land, improvements, and construction in progress	$	2,130,513
Other capital assets, net of depreciation		14,432,588
Total Capital Assets	$	16,563,101
Total Assets	$	30,547,283
Deferred outflows of resources:		
Pension and OPEB deferrals	$	4,887,325
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	$	618,432
Liabilities payable from restricted assets		-
Current portion of long-term liabilities		1,574,861
Total Current Liabilities	$	2,193,293
Long-term Liabilities:		
Due in more than one year	$	21,381,816
Total Long-term Liabilities	$	21,381,816
Total Liabilities	$	23,575,109
Deferred Inflows of Resources		
OPEB deferrals	$	2,011,400
Leases		-
Prepaid taxes		48,939
Pension deferrals		314,583
Total Deferred Inflows of Resources	$	2,374,922
Net Position		
Net investment in capital assets	$	7,644,973
Restricted for:		
Stabilization by State Statute		1,014,655
Unrestricted		824,949
Total Net Position	$	9,484,577

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

City of Roanoke Rapids, North Carolina
Statement of Activities
For the Year Ended June 30, 2024

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					Primary Government
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government:					
Governmental Activities:					
General Government	$ 3,694,785	$ 11,096	$ -	$ -	$ (3,683,689)
Public Safety	5,613,183	6,560	300,773	-	(5,305,850)
Transportation	1,949,646	-	521,794	-	(1,427,852)
Economic and Physical Development	1,123,929	170,074	420,674	-	(533,181)
Environmental Protection	2,222,708	1,793,251	11,533	-	(417,924)
Cultural and Recreational	2,074,349	415,865	-	-	(1,658,484)
Interest on long-term debt	37,466	-	-	-	(37,466)
Total Governmental Activities	$16,716,066	$ 2,396,846	$ 1,254,774	$ -	$ (13,064,446)

General Revenues:	
Taxes:	
Property taxes, levied for general purpose	$ 8,786,776
Other taxes and licenses	1,217,914
Grants and contributions not restricted to specific purpose	5,019,868
Investment earnings, unrestricted	648,379
Miscellaneous, unrestricted	2,125,231
Loss on sale of capital assets	(6,446,324)
Total General Revenues not Including Transfers	$ 11,351,844
Transfers	-
Total General Revenues and Transfers	$ 11,351,844
Change in Net Position	$ (1,712,602)
Net Position, beginning	11,197,179
Restatement	-
Net Position, ending	$ 9,484,577

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

City of Roanoke Rapids, North Carolina
Governmental Funds
Balance Sheet
June 30, 2024

Exhibit 3

	Major Fund General Fund	Non-major Funds Governmental Funds	Total Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 12,375,750	$ -	$ 12,375,750
Taxes Receivable, net	224,508	-	224,508
Due from other governmental agencies	100,156	-	100,156
Due from other funds	-	-	-
Accounts Receivable, net	914,499	-	914,499
Lease receivable	-	-	-
Inventories	40,914	-	40,914
Prepaid expenses	-	-	-
Total Current Assets	$ 13,655,827	$ -	$ 13,655,827
Noncurrent Assets:			
Restricted cash	249,045	-	249,045
Total Assets	$ 13,904,872	$ -	$ 13,904,872
Liabilities			
Accounts payable and accrued liabilities	$ 618,432	$ -	$ 618,432
Due to other funds	-	-	-
Libilities payable from restricted assets	-	-	-
Total Liabilities	$ 618,432	$ -	$ 618,432
Deferred Inflows of Resources			
Property taxes receivable	$ 224,508	$ -	$ 224,508
Leases	-	-	-
Prepaid fees	48,939	-	48,939
Total Deferred Inflows of Resources	$ 273,447	$ -	$ 273,447
Fund Balances			
Non-spendable:			
Inventories and prepaid expenses	$ 40,914	$ -	$ 40,914
Restricted:			
Stabilization by State Statute	1,014,655	-	1,014,655
Streets	-	-	-
Assigned:			
Law enforcement	137,886	-	137,886
Subsequent year's expenditures	-	-	-
Unassigned	11,819,538	-	11,819,538
Total Fund Balances	$ 13,012,993	$ -	$ 13,012,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 13,904,872	$ -	$ 13,904,872

(continued)

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

City of Roanoke Rapids, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2024

(continued)

Exhibit 3

Reconciliation of fund balance as reported in the balance sheet governmental funds with net position of governmental activities.

Fund balance as reported in the balance sheet governmental funds	$ 13,012,993
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,563,101
Deferred outflows of resources related to pensions are not reported in the funds.	3,686,927
Deferred outflows of resources related to OPEB are not reported in the funds.	1,200,398
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are deferred in the funds.	79,310
Liabilities for earned but deferred revenues in fund statements.	224,508
Deferred inflows of resources related to pensions are not reported in the funds.	(314,583)
Deferred inflows of resources related to OPEB are not reported in the funds.	(2,011,400)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(22,956,677)
Net Position of Governmental Activities	$ 9,484,577

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

City of Roanoke Rapids, North Carolina
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

Exhibit 4

	Major Fund General Fund	Non-major Funds Governmental Funds	Total Funds
Revenues			
Ad valorem taxes	$ 8,765,431	$ -	$ 8,765,431
Other taxes and licenses	1,217,914	-	1,217,914
Unrestricted intergovernmental	5,019,868	-	5,019,868
Restricted intergovernmental	834,100	420,674	1,254,774
Permits and fees	170,074	-	170,074
Sales and services	2,226,772	-	2,226,772
Investment earnings	648,379	-	648,379
Miscellaneous	2,125,231	-	2,125,231
Insurance reimbursements	-	-	-
Total Revenues	$ 21,007,769	$ 420,674	$ 21,428,443
Expenditures			
Current:			
General Government	$ 3,133,570	$ -	$ 3,133,570
Public Safety	6,443,549	-	6,443,549
Transportation	2,425,452	-	2,425,452
Environmental Protection	2,219,740	-	2,219,740
Economic & Physical Development	706,063	420,674	1,126,737
Cultural and Recreational	1,980,747	-	1,980,747
Debt service	1,287,561	-	1,287,561
Miscellaneous grants	-	-	-
Total Expenditures	$ 18,196,682	$ 420,674	$ 18,617,356
Excess (Deficiency) of Revenues Over Expenditures	$ 2,811,087	$ -	$ 2,811,087
Other Financing Sources (Uses)			
Transfer-in (out)	$ 5,530	$ (5,530)	$ -
Installment financing	-	-	-
Total Other Financing Sources (Uses)	$ 5,530	$ (5,530)	$ -
Net Change in Fund Balance	$ 2,816,617	$ (5,530)	$ 2,811,087
Fund Balance:			
Beginning of year	10,196,376	5,530	10,201,906
End of year	$ 13,012,993	$ -	$ 13,012,993

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

City of Roanoke Rapids, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Exhibit 4

Reconciliation of net change in fund balance in the Statement of Revenues, Expenditures, and Changes in Fund Balance of governmental funds to change in Net Postion for governmental activities.		
Net changes in fund balance - total governmental funds		$ 2,811,087
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		1,736,861
Depreciation expense		(262,064)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		976,554
Benefit payments paid and administrative expense for the LEOSSA are not included in the Statement of Activiities		85,708
OPEB benefit payments and administrative expense are not included in the Statement of Activities		329,210
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-tem debt and related items.		
New long-term debt issued	$ -	
Principal payments on long-term debt	1,250,095	1,250,095
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred revenue for tax revenues		21,345
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	$ (381,128)	
Pension expense	(1,617,612)	
Other postemployment benefits	(221,864)	
Loss on disposal of assets	(6,440,794)	(8,661,398)
Total Changes in Net Position of Governmental Activities		$ (1,712,602)

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

City of Roanoke Rapids, North Carolina
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2024

Exhibit 5

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	$ 8,670,726	$ 8,670,726	$ 8,765,431	$ 94,705
Other taxes and licenses	1,095,280	1,095,280	1,217,914	122,634
Unrestricted intergovernmental	4,419,350	4,419,350	5,019,868	600,518
Restricted intergovernmental	946,740	946,740	834,100	(112,640)
Permits and fees	144,150	144,150	170,074	25,924
Sales and services	2,145,568	2,196,952	2,226,772	29,820
Investment earnings	240,000	240,000	648,379	408,379
Miscellaneous	61,190	61,190	2,125,231	2,064,041
Insurance reimbursements	2,500	2,500	-	(2,500)
Total Revenues	$ 17,725,504	$ 17,776,888	$ 21,007,769	$ 3,230,881
Expenditures:				
General Government	$ 3,678,149	$ 3,391,524	$ 3,133,570	$ 257,954
Public Safety	6,296,835	7,139,900	6,443,549	696,351
Transportation	1,944,967	2,632,985	2,425,452	207,533
Environmental Protection	2,219,363	2,393,237	2,219,740	173,497
Economic and Physical Development	738,556	796,004	706,063	89,941
Cultural and Recreational	1,970,377	2,180,325	1,980,747	199,578
Debt service	1,289,065	1,289,065	1,287,561	1,504
Total Expenditures	$ 18,137,312	$ 19,823,040	$ 18,196,682	$ 1,626,358
Excess of Revenues Over (Under) Expenditures	$ (411,808)	$ (2,046,152)	$ 2,811,087	$ 4,857,239
Other Financing Sources (Uses):				
Fund balance appropriated	$ 411,808	$ 2,046,152	$ -	$ (2,046,152)
Transfer from other funds	-	-	5,530	5,530
Loan proceeds	-	-	-	-
Total Other Financing Sources (Uses)	$ 411,808	$ 2,046,152	$ 5,530	$ (2,040,622)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	$ -	$ -	$ 2,816,617	$ 2,816,617
Fund Balance:				
Beginning of Year			10,196,376	
End of Year			$ 13,012,993	

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

I. Summary of Significant Accounting Policies

The accounting policies of the City of Roanoke Rapids conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Roanoke Rapids is a municipal corporation, which is governed by an elected mayor and a five-member council. The City Council appoints the five-member Board of Commissioners of the Housing Authority, but the Authority designates its own management. The City provides no financial support to the Authority and is not responsible for the debts or entitled to the surpluses of the Authority. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Authority, therefore the Housing Authority is omitted from this report. The City of Roanoke Rapids is also disclosed as a related organization in the notes to the financial statements for the Roanoke Rapids Housing Authority.

B. Basis of Presentation

Government-wide Statements. The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. 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. Separate statements for each fund category – *governmental* – are presented. The City has no fiduciary funds to report. The emphasis of fund financial statements is on the major governmental funds displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund. This Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and State grants, and various other taxes and licenses. The primary expenditures are for streets and highways, public safety, and general government services.

The City reports the following non-major governmental funds:

Special Revenue Fund. The Special Revenue Fund is used to account for the specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has five Special Revenue Funds: NC State Direct Grant Program, Downtown Revitalization, Local Law Enforcement Grant Fund, Hodgestown Project, and 2022 CDBG Neighborhood Revitalization.

Capital Project Funds. The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments or trust funds). The City has one Capital Project funds within the governmental fund types: Downtown Revitalization.

C. <u>Measurement Focus and Basis of Accounting</u>

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

Government-wide and Proprietary Fund Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem taxes receivable is not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina.

Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Roanoke Rapids because the tax is levied by Halifax County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The City's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General and Enterprise Funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Special Revenue and the Capital Project Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and the object level for the multi-year funds. The governing board must approve any revisions that alter total expenditures of any fund. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until an annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The NCCMT – Government Portfolio, a SEC registered (2a-7) Money Market Mutual Fund investment pool is measured at fair value. Because the NCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Money in the Special Revenue and Capital Project funds are restricted for their intended use.

Money set aside for Law Enforcement Separation Allowance is restricted.

City of Roanoke Rapids Restricted Cash

Governmental Activities:		
General Fund:		
Police - restricted funds	$	249,045
Special Revenue/Capital Project Fund		-
	$	249,045

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; however, interest does not accrue until the following January 6. Those taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the City has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

The receivables for the City have historically experienced such a small amount of bad debts that no allowance for doubtful accounts has been recorded, as this amount is considered immaterial to the financial statements.

6. Lease Receivable

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. Inventory and Prepaid Items

The inventories of the City are valued at cost (first in, first out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

8. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost policies were established at $2,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the time of donation. General infrastructure assets acquired prior to July 1, 2003, consist of water and sewer system assets and improvements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50 - 100
Improvements	25
Vehicles	6 - 20
Furniture and equipment	10 - 40
Computer equipment	5
Computer software	3 - 5

8. Right to Use Assets

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

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension deferrals and OPEB deferrals for the 2024 fiscal year. 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 position that applies to a future period and so will not be recognized as revenue until then. The City has four items that meet the criterion for this category - property taxes receivables, prepaid taxes, pension deferrals and OPEB deferrals.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payables are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

10. Compensated Absences

The vacation policy of the City provides for the accumulation of up to forty (40) days (forty-two days for police officers) earned vacation leave with such leave being fully vested when earned. For the City’s government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

11. Net Position/Fund Balances

a. Net Position

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

b. Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories and Prepaid Expenses - Portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories and prepaid expenses, which are not spendable resources.

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

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds.

The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget*. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by the law through constitutional provisions or enabling legislation". RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Assigned Fund Balance - portion of fund balance that the City intends to use for specific purposes.

Assigned for Law Enforcement Allowances - portion of fund balance that has been assigned for law enforcement separation allowance.

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

Unassigned Fund Balance - portion of total fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

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

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Roanoke Rapids employer contributions are recognized when due and the City of Roanoke Rapids 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.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

There were no instances of noncompliance with North Carolina General Statutes noted.

2. Contractual Violations

   There were no instances of violations of contractual obligations noted.

B. Deficit in Fund Balance or Net Position of Individual Funds

   There were no deficits in Fund Balance or Net Position of Individual Funds at the end of the year.

C. Excess of Expenditures Over Appropriations

   There were no expenditures in excess of appropriations during the year ended June 30, 2024.

III. Detail Notes on All Funds

A. Assets

1. Deposits

   All of the City's deposits 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 agent in its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

   At June 30, 2024, the City's deposits had a carrying amount of $471,763 and a bank balance of $730,965. Of the bank balance, $630,044 of it was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024, the City of Roanoke Rapids had $805 cash on hand.

2. Investments

   At June 30, 2024, the City of Roanoke Rapids had $12,152,226 invested with the North Carolina Capital Management Trust’s Government Portfolio, which carried a credit rating of AAAm, by Standard and Poor’s. The City has adopted a formal policy regarding credit risk.

Investment by Type	Valuation Measurement Method	Book Value at 6/30/2024	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	$ 12,152,226	N/A	AAAm
Total		$ 12,152,226		

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

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

a. Interest Rate Risk

The City has adopted a formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

b. Credit Risk

The City has adopted a formal policy regarding credit risk and has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAAm-mf by Moody's Investors Service as of June 30, 2024.

3. Receivables – Allowance for Doubtful Accounts

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

General Fund:	
Taxes receivable	$ 33,500

4. Leases Receivable

For the year ended 6/30/24, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lease is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City of Roanoke Rapids receives lease income from the lease of buildings to the WIC of Twin County Rural Health Center, Choanoke Area Development Association and the Boys & Girls Club of Halifax County. At June 30, 2024 the value of the lease receivable is $0. The value of the deferred inflow of resources as of June 30, 2024 was $0.

Principal and Interest Expected to Maturity

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ -	$ -	$ -
2026	$ -	$ -	$ -
2027	$ -	$ -	$ -
	$ -	$ -	$ -

5. <u>Capital Assets</u>

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 3,012,713	$ -	$ 882,200	$ 2,130,513
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	$ 3,012,713	$ -	$ 882,200	$ 2,130,513
Capital Assets Being Depreciated:				
Buildings & improvements	$ 24,929,169	$ 7,661	$ 10,677,175	$ 14,259,655
Infrastructure	2,490,857	499,504	-	2,990,361
Machinery & equipment	9,798,152	1,229,696	1,199,112	9,828,736
Total Capital Assets Being Depreciated	$ 37,218,178	$ 1,736,861	$ 11,876,287	$ 27,078,752
Less accumulated depreciation	19,599,523	262,064	5,963,440	13,898,147
Total Capital Assets Being Depreciated, Net	$ 17,618,655			$ 13,180,605
Governmental Activity Capital Assets, Net	$ 20,631,368			$ 15,311,118

General government	$ 16,848
Public safety	53,801
Transportation	35,893
Economic and physical development	2,722
Environmental protection	2,968
Cultural and recreation	149,832
Total depreciation expense	$ 262,064

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Roanoke Rapids is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. 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 consist of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age or have completed 15 years of service as a LEO and have reached age 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. The City of Roanoke Rapids employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Roanoke Rapids contractually required contribution rate for the year ended June 30, 2024, was 13.25% of compensation for law enforcement officers and 13.00% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Roanoke Rapids were $976,554 for the year ended June 30, 2024.

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

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

At June 30, 2024, the City reported a liability of $5,501,070 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the City's proportion was 0.08306%, which was a decrease of 0.00241% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of $1,463,697. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 612,982	$ 13,196
Changes of assumptions	233,764	-
Net difference between projected and actual earnings on pension plan investments	1,472,327	-
Changes in proportion and differences between City contributions and proportionate share of contributions	8,750	150,632
City contributions subsequent to the measurement date	976,554	-
Total	$3,304,377	$ 163,828

$976,554 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:

Year ended June 30	
2025	$ 741,536
2026	400,545
2027	959,655
2028	62,258
2029	-
Thereafter	-
	$ 2,163,994

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

Inflation	2.50 percent
Salary increases	3.50 to 8.10 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.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	$ 9,530,387	$ 5,501,070	$ 2,183,758

b. Deferred Compensation Plan

The City of Roanoke Rapids 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.

The City has complied with the laws which govern the City's Deferred Compensation Plan. All assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

Contributions for the year ended June 30, 2024 were $73,002, which consisted of $26,696 from the City and $46,306 from employees.

c. Law Enforcement Officers Special Separation Allowance

1) Plan Description

The City of Roanoke Rapids 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 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 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	36
Total	44

2) Summary of Significant Accounting Policies

Basis of Accounting

The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits 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 following criteria which are outlined in GASB Statements 73.

3) Actuarial Assumptions

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

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

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

4) Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the 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 $99,776 as benefits came due for the reporting period.

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

At June 30, 2024, the City reported a total pension liability of $1,518,303. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of $153,915.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 151,640	$ 32,767
Changes of assumptions	145,202	117,988
City benefit payments and plan adminsitrative expense made subsequent to the measurement date	85,708	-
Total	$ 382,550	$ 150,755

$85,708 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 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:

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount Recognized in Pension Expense as an Increase (Decrease)
2025	$ 117,433	$ 66,654	$ 50,779
2026	84,186	64,040	20,146
2027	36,764	56,955	(20,191)
2028	36,764	23,106	13,658
2029	21,695	-	21,695
Thereafter	-	-	-
	$ 296,842	$ 210,755	$ 86,087

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

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
City's proportionate share of the net pension liability (asset)	$ 1,653,995	$ 1,518,303	$ 1,396,302

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

	2022
Beginning balance	$ 1,301,650
Service cost	56,963
Interest on the total pension liability	53,951
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	168,786
Changes of assumptions or other inputs	36,729
Benefit payments	(99,776)
Other changes	-
Ending balance of the total pension liability	$ 1,518,303

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current morality 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 morality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

	LGERS	LEOSSA	Total
Pension Expense	$ 1,463,697	$ 153,915	$ 1,617,612
Pension Liability	5,501,070	1,518,303	7,019,373
Proportionate share of the net pension liability	0.08306%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	612,982	151,640	764,622
Changes of assumptions	233,764	145,202	378,966
Net difference between projected and actual earnings on pension plan investments	1,472,327	-	1,472,327
Changes in proportion and differences between contributions and proportionate share of contributions	8,750	-	8,750
Benefit payments and administrative costs paid subsequent to the measurement date	976,554	85,708	1,062,262
Deferred of Inflows of Resources			
Differences between expected and actual experience	13,196	32,767	45,963
Changes of assumptions	-	117,988	117,988
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	150,632	-	150,632

d. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The City's contributions for the year ended June 30, 2024 were $219,453.

e. <u>Other Post-Employment Benefits</u>

Plan Description. Under the terms of a City resolution, the City administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of September 5, 1990, 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 30 years' creditable service with at least twenty years of creditable service with the City. The insurance coverage will cease on the premium due date next following employee's 65th birth date. The City pays the full cost of coverage for these benefits through private insurers. 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.

Retired Employees' Years of Creditable Service	Date Hired On or after September 5, 1990
Less than 30 years	Not eligible for coverage
30+ years	Full coverage paid for by City

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

	Membership
Retirees and dependents receiving benefits	29
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	140
Total	169

Funding Policy. The City pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a City resolution that can be amended by City Council. The City has chosen to fund the healthcare benefits on a pay as you go basis.

Summary of Significant Accounting Policies. Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. A separate report was not issued for the plan.

Total OPEB Liability

The District's Total OPEB Liability (TOL) of $6,467,984 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

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

Paragraph 166: Listed below is the information to be disclosed regarding the actuarial assumptions and other inputs used to measure the TOL. The complete set of actuarial assumptions and other inputs utilized in developing the TOL are outlined in Schedule C. The TOL was determined by an actuarial valuation as of June 30, 2023, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary Increases, including wage inflation:	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Municipal Bond Index Rate:	
Prior measurement date	3.54%
Measurement date	3.65%
Health Care Cost Trends:	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Dental	3.50%

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Paragraph 167(a): This paragraph requires disclosure of the sensitivity of the TOL to changes in the health care cost trend rates. The following exhibit presents the TOL of the Plan, calculated using the health care cost trend rates, as well as what the Plan's TOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Health Care Cost Trend Rate Sensitivity

	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 5,828,505	$ 6,467,984	$ 7,219,647

Paragraph 167(b): This paragraph requires disclosure of the sensitivity of the TOL to changes in the discount rate. The following exhibit presents the TOL of the Plan, calculated using the discount rate of 3.65%, as well as what the Plan's TOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Discount Rate Sensitivity

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 7,097,748	$ 6,467,984	$ 5,911,276

Paragraph 168(a)-(c): This paragraph requires a schedule of changes in the TOL. The needed information is shown in the following table:

Changes in the TOL

Total OPEB Liability as of June 30, 2023	$5,972,263
Changes for the year:	
Service Cost at the end of the year*	229,828
Interest on TOL and Cash Flows	213,778
Change in benefit terms	-
Difference between expected and actual experience	246,404
Changes of assumptions or other inputs	134,921
Benefit payments and implicit subsidy credit	(329,210)
Other	-
Net Changes	495,721
Total OPEB Liability as of June 30, 2024	$ 6,467,984

* The service cost includes interest for the year.

Paragraph 168(d): The employer does not have a special funding situation.

Paragraph 169(a): The TOL is based upon an actuarial valuation performed as of the Valuation Date, June 30, 2023. An expected TOL is determined as of June 30, 2023, the Prior Measurement Date, using standard roll back techniques. The roll back calculation begins with the TOL, as of the Measurement Date, June 30, 2023, adds the expected benefit payments for the year, deducts interest at the Discount Rate for the year, and then subtracts the annual Normal Cost (also called the Service Cost).

CMC has assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date. If a significant change, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date, an updated valuation may need to be performed.

Paragraph 169(b): Our understanding is that the employer does not have a special funding situation.

Paragraph 169(c): Since the Prior Measurement Date, the Discount Rate has changed from 3.54% to 3.65% due to a change in the Municipal Bond Rate.

Paragraph 169(d): There are no changes in benefit terms since the Prior Measurement Date.

Paragraph 169(e): No benefit payments are attributable to the purchase of allocated insurance contracts.

Paragraph 169(f): CMC was not expected to supply this information.

Paragraph 169(g): Please see Section IV for the development of the OPEB Expense (OE).

Paragraph 169(h)(1)-(2): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB Expense, they are labeled Deferred Outflows of Resources. If they serve to reduce OPEB Expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period.

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of June 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 210,745	$ 1,324,486
Changes of assumptions or other inputs	989,653	686,914
Total	$1,200,398	$ 2,011,400

Paragraph 169(h)(3): Our understanding is that the employer does not have a special funding situation.

Paragraph 169(h)(4): CMC was not expected to supply this information.

Paragraph 169(i)(1)-(2): Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Measurement Period Ended June 30:	
2025	$ (306,977)
2026	(255,913)
2027	(222,654)
2028	12,659
2029	(72,781)
Thereafter	34,664

Paragraph(i)(3): Our understanding is that the employer does not have a special funding situation.

Paragraph(j): CMC was not expected to supply this information.

2. Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month’s salary in a row during the 24 months prior to his/her death, but the benefit may not exceed $50,000 or be less than $25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The City considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	$ 976,554
Benefit payments made and administrative expenses for LEOSSA made subsequent to measurement date	85,708
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	-
Differences between expected and actual experience	975,367
Changes of assumptions	1,368,619
Net difference between projected and actual earnings on pension plan investments	1,472,327
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,750
Total	$ 4,887,325

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (General Fund)	$ -	$ 224,508
Prepaid fees	-	48,939
Lease receivable	-	-
Changes in assumptions	804,902	-
Differences between projected and actual earnings	-	-
Differences between expected and actual experience	1,370,449	
Changes in proportion and differences between employer contributions and proportionate share of contributions	150,632	-
Total	$ 2,325,983	$ 273,447

4. 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 $1 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. 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.

In accordance with G.S. 159-29, the City's employees that have access to $100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for $1,000,000, and the Tax Collector is individually bonded for $50,000 each. The remaining employees that have access to cash are bonded under a blanket bond for $500,000.

5. Claims and Judgments

The City had no claims or judgments pending at June 30, 2024.

6. Long-Term Debt

a. Leases Payable

For the year ended 6/30/24, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lease is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City of Roanoke Rapids, NC has entered into 42 leases as lessee for the use of 35 vehicles, 6 copy machines and one postage machine. As of June 30, 2024, the value of the lease liability is $1,186,576. The City is required to make monthly fixed payments of $30,554.62. The leases have an interest rate of 2.67% for the vehicles and 2.47% for the others. The value of the right to use asset as of June 30, 2024 was $1,630,579 with an accumulated amortization of $459,852.

Amount of Lease Assets by Major Classes of Underlying Asset

As of Fiscal Year-End

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	$ 1,630,579	$ 459,852
Total Leases	$ 1,630,579	$ 459,852

Principal and Interest Expected to Maturity

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 333,350	$ 24,677	$ 358,027
2026	$ 328,267	$ 17,258	$ 345,525
2027	$ 303,215	$ 9,935	$ 313,150
2028	$ 207,723	$ 2,852	$ 210,575
2029	$ 14,021	$ 94	$ 14,115
	$ 1,186,576	$ 54,816	$ 1,241,392

b. <u>Subscriptions Payable</u>

Capital Assets and Depreciation. Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Subscription-based information technology arrangements ("SBITA") minimum capitalization cost policies were established at $50,000; minimum capitalization cost policies were established at $2,000 for all other capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the time of donation. General infrastructure assets acquired prior to July 1, 2003, consist of water and sewer system assets and improvements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Subscription Based Information Technology Arrangements. The City has recorded Subscription-Based Information Technology Arrangement ("SBITA") assets and liabilities as a result of implementing GASB 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, and plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. SBITAs which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are expenses as incurred.

Recently Implemented Accounting Pronouncements. The City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The requirements of this Statement will provide guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA (2) establishes that a SBITA results in a right-to-use subscription asset-intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, included implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. See Note 6 for further information.

Long-Term Debt. The City has entered into SBITAs for permitting and human resources for a period of 3 years and an incremental borrowing rate of 2.47 percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022. SBITA liabilities, SBITA assets, and subscription terms are as follows at June 30, 2024:

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024	Current Portion of Balance
Subscription liabilities	$ 205,460	$ -	$ 89,616	$ 115,844	$ 115,844

SBITA debt service requirements to maturity are as follows:

Principal and Interest Expected to Maturity

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 115,844	$ 2,894	$ 118,738
	$ 115,844	$ 2,894	$ 118,738

For the year ended June 30, 2024, the City had SBITAs with variable payments that were based on user seats which were expensed as incurred in the amount of $81,255.96.

For the year ended June 30, 2024, the City had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended June 30, 2024, the City had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

c. General Obligation Bonds

The general obligation bonds issued to finance the construction of improvements to the storm sewer system and recreational facilities are accounted for in the General Long-term Debt Account Group. These bonds are collateralized by the faith, credit, and taxing power of the City. Principal and interest requirements are appropriated when due.

At June 30, 2024, the City of Roanoke Rapids had a legal debt margin of $97,040,323. The City has no bonds authorized but unissued at June 30, 2024.

On August 30, 2013, the City entered into a direct borrowing installment note payable with First Citizens Bank in the amount of $185,760 to refinance the USDA loan that was secured for the Neighborhood Resource Center. This allowed the City to reduce the terms and interest rate.

On August 30, 2013, the City entered into a direct borrowing installment note payable with First Citizens Bank in the amount of $1,300,000 to refinance the USDA loan that was secured for the construction of Fire Station #2. This allowed the City to reduce the terms and interest rate.

On December 7, 2016, the City entered into a direct borrowing installment not payable with BB&T in the amount of $601,927 to purchase various vehicles and equipment.

On September 10, 2018, the City entered into a direct borrowing installment note payable with Branch Banking & Trust Company in the amount of $810,000 to refinance vehicles and equipment for Public Safety and Public Works. The interest rate is 3.07% with annual payments of $177,221 for five years.

On February 17, 2024, the City entered into a direct placement installment agreement with the USDA revolving loan program in the amount of $164,197. The loan is through an Electric Cooperative program with five annual payments of $32,839 at a rate of 0.00%.

On March 31, 2024, the City entered into a direct borrowing installment note payable with First Citizens Bank in the amount of $190,000 to purchase Public Safety vehicles. The interest rate is 2.47% with annual payments of $40,862 for five years.

Long-term debt payable at June 30, 2024 is comprised of the following:

<u>Direct Borrowings</u>:

First Citizens Bank - (refinanced USDA loan - Firestation #2) original note of $1,075,256 due in 18 annual installments of $94,521.30, including interest at 3.00%, beginning August 30, 2014 through August 30, 2031.	$	663,510
BB&T - original note of $810,000 due in 5 consecutive annual installments of $177,220.85 including interest of 3.07% beginning September 10, 2019 through September 10, 2023. (Equipment financing). Paid off in Sept 2023	$	-
First Citizens Bank - Five Police Trucks and One Fire Pickup Truck. Original note of $190,000 due in annual installments of $40,862, including interest at 2.47%, beginning March 31, 2022 through March 31, 2026	$	78,802
Total Direct Borrowings	$	742,312

Direct Placement:

REA - original note of $164,197 due in 60 consecutive monthly installments of $2,783.00 including interest of 0.00% beginning June 2019. (Electric cooperative loan through USDA) Paid off March 2024	$ -

Economic Development Revenue Bond:

Special Revenue Bond, Series 2017A (tax-exempt interest) original note of $11,852,907 due in quarterly installments of $238,034, including interest of 2.54%, beginning August 1, 2017 through May 1, 2032.	$ 6,873,396

The annual requirements to amortize direct borrowing (excluding vacation pay and capitalized leases) as of June 30, 2024, including interest payments, are as follows:

Year	Principal Payments	Interest Payments	Total
2025	$ 113,532	$ 21,851	$ 135,383
2026	116,740	18,643	135,383
2027	79,160	13,561	92,721
2028	81,535	12,986	94,521
2029	83,981	10,540	94,521
2030-2034	267,364	16,200	283,564
Total	$ 742,312	$ 93,781	$ 836,093

The annual requirements to amortize the special revenue bonds outstanding as of June 30, 2024, including interest payments, are as follows:

Year	Principal Payments	Interest Payments	Total
2025	$ 784,990	$ 167,146	$ 952,136
2026	805,120	147,016	952,136
2027	825,765	126,371	952,136
2028	846,940	105,196	952,136
2029	868,658	83,478	952,136
2030-2034	2,741,923	197,964	2,939,887
2035-2039	-	-	
Total	$ 6,873,396	$ 827,171	$ 7,700,567

Changes in the long-term liabilities:

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024	Current Portion of Balance
Governmental activities:					
Direct borrowings	$ 1,024,682	$ -	$ 282,370	$ 742,312	$ 282,362
Direct placement notes	22,821		22,821	-	22,821
Tax increment financing/					
Special revenue bonds	7,638,760	-	765,364	6,873,396	765,365
Lease liabilities	1,158,485	341,624	313,533	1,186,576	333,350
Subscription liabilities	205,460	-	89,616	115,844	115,844
Total pension liability (LEO)	1,301,650	216,653	-	1,518,303	-
Net pension liability (LGERS)	4,821,729	679,341	-	5,501,070	-
Compensated absences	527,670	23,522	-	551,192	55,119
Total OPEB liability	5,972,263	495,721	-	6,467,984	-
Total	$ 22,673,520	$ 1,756,861	$ 1,473,704	$ 22,956,677	$ 1,574,861

Compensated absences for governmental activities have typically been liquidated in the General Fund.

Net Investment in Capital Assets

	Governmental
Capital Assets	$ 16,563,101
Less: Long-term debt	(8,918,128)
Net Investment in Capital Assets	$ 7,644,973

7. 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	$ 13,012,993
Less:	
Inventories and Prepaid Expenses	40,914
Stabilization by State Statute	1,014,655
Streets-Powell Bill	-
Subsequent year's expenditures	-
Assigned - Law Enforcement	137,886
Remaining Fund Balance	11,819,538

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The City has received proceeds from Federal and State grants and programs. Periodic audits of these grants and programs are required and certain costs may be questioned as not being appropriate expenditures under the grant or program agreements. Such audits could result in the refund of grant or program monies to the grantor or program 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.

V. Significant Effects of Subsequent Events

As of October 30, 2024, the date of the completion of the financial statements, there were no material subsequent events that were required to be reported.

Required Supplementary Financial Data

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

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

City of Roanoke Rapids, North Carolina
City of Roanoke Rapids' Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Roanoke Rapids' proportion of the net pension liability (asset) (%)	0.08306%	0.08547%	0.08476%	0.09780%	0.09819%	0.10312%	0.10436%	0.10706%	0.11294%	0.08680%
City of Roanoke Rapids' proportion of the net pension liability (asset) ($)	$ 5,501,070	$ 4,821,729	$ 1,299,876	$ 3,494,811	$ 2,681,492	$ 2,446,359	$ 1,594,332	$ 2,272,172	$ 506,868	$ (511,900)
City of Roanoke Rapids' covered-employee payroll	$ 6,969,798	$ 6,623,711	$ 6,092,384	$ 6,427,818	$ 6,443,428	$ 6,416,353	$ 6,266,167	$ 5,813,525	$ 5,647,194	$ 5,395,410
City of Roanoke Rapids' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	78.93%	72.79%	21.34%	54.37%	41.62%	38.13%	25.44%	39.08%	8.98%	-9.49%
Plan fiduciary net position as a percentage of the total pension liability	82.04%	85.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

City of Roanoke Rapids, North Carolina
City of Roanoke Rapids' Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 976,554	$ 853,690	$ 757,022	$ 630,256	$ 581,116	$ 506,414	$ 491,876	$ 465,986	$ 392,779	$ 399,046
Contributions in relation to the contractually required contributions	976,554	853,690	757,022	630,256	581,116	506,414	491,876	465,986	392,779	399,046
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of Roanoke Rapids's covered-employee payroll	$7,512,797	$6,969,798	$6,623,711	$6,092,384	$6,427,818	$6,443,428	$6,416,353	$6,266,167	$ 5,813,525	$5,647,194
Contributions as a percentage of covered-employee payroll	13.00%	12.25%	11.43%	10.34%	9.04%	7.86%	7.67%	7.44%	6.76%	7.07%

City of Roanoke Rapids, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	$ 1,301,650	$ 1,557,823	$ 1,654,129	$ 1,243,102	$ 1,305,115	$ 1,390,938	$ 1,328,293	$ 1,366,542
Service cost	56,963	80,638	79,306	55,545	51,340	57,764	50,193	52,384
Interest on the total pension liability	53,951	33,795	30,841	38,477	45,032	42,130	49,177	46,838
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	168,786	(10,879)	(50,256)	45,672	(59,404)	(21,880)	(3,145)	-
Changes of assumptions or other inputs	36,729	(248,037)	(43,927)	396,960	36,987	(48,409)	75,000	(28,379)
Benefit payments	(99,776)	(111,690)	(112,270)	(125,627)	(135,968)	(115,428)	(108,580)	(109,092)
Other changes	-	-	-	-	-	-	-	-
Ending balance of the total pension liability	$ 1,518,303	$ 1,301,650	$ 1,557,823	$ 1,654,129	$ 1,243,102	$ 1,305,115	$ 1,390,938	$ 1,328,293

Notes to the schedules:

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

City of Roanoke Rapids, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2024

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total pension liability	$ 1,518,303	$ 1,301,650	$ 1,557,823	$ 1,654,129	$ 1,243,102	$ 1,305,115	$ 1,390,938	$ 1,328,293
Covered payroll	1,840,350	1,717,758	1,669,610	1,762,187	1,758,624	1,899,639	1,831,959	1,849,950
Total pension liability as a percentage of covered payroll	82.50%	75.78%	93.30%	93.87%	70.69%	68.70%	75.93%	71.80%

Notes to the schedules:

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

City of Roanoke Rapids, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2024

Total OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Service Cost	$ 229,828	$ 304,404	$ 331,852	$ 242,843	$ 281,400	$ 281,400	$ 304,791	$ 304,791
Interest	213,778	148,448	145,395	198,699	257,429	257,429	223,226	223,226
Change in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	246,404	(58,040)	(719,367)	(1,863,935)	(108,619)	(108,619)	(35,295)	(35,295)
Changes of assumptions or other inputs	134,921	(865,340)	821,373	720,809	(231,306)	(231,306)	(400,570)	(400,570)
Benefit payments and implicit subsidy credit	(329,210)	(249,499)	(266,671)	(220,804)	(253,723)	(253,723)	(300,537)	(300,537)
Net Change in Total OPEB Liability	495,721	(720,027)	312,582	(922,388)	(54,819)	(54,819)	(208,385)	(208,385)
Total OPEB Liability - beginning	5,972,263	6,692,290	6,379,708	7,302,096	7,356,915	7,356,915	7,565,300	7,565,300
Total OPEB Liability - ending	$6,467,984	$5,972,263	$6,692,290	$6,379,708	$7,302,096	$7,302,096	$7,356,915	$7,356,915
Covered Payroll	$6,339,376	$5,756,283	$5,756,286	$5,937,342	$5,479,393	$5,479,393	$5,479,393	$5,479,393
Total OPEB Liability as a Percentage of Covered Payroll	102.03%	103.75%	116.26%	107.45%	133.26%	133.26%	134.27%	134.27%

Notes to Schedule

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

Fiscal Year	Rate
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.89%
2019	3.89%
2018	3.56%
2017	3.56%

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad Valorem Taxes:			
Current year	$ -	$ 8,641,311	$ -
Prior years	-	73,766	-
Penalties and interest	-	50,354	-
Total	$ 8,670,726	$ 8,765,431	$ 94,705
Other Taxes and Licenses:			
Licenses	$ 4,030	$ 7,100	$ 3,070
Lease vehicle	30,000	47,220	17,220
Holdharmless revenue	1,061,250	1,163,594	102,344
Total	$ 1,095,280	$ 1,217,914	$ 122,634
Unrestricted Intergovernmental:			
Local option sales tax	$ 3,028,750	$ 3,238,603	$ 209,853
Contribution from tourism	98,000	88,723	(9,277)
Beer and wine tax	63,000	72,007	9,007
ABC profits	80,000	136,058	56,058
Occupancy tax	5,600	6,307	707
Utility franchise tax	1,144,000	1,478,170	334,170
Total	$ 4,419,350	$ 5,019,868	$ 600,518
Restricted Intergovernmental:			
"State Street Aid" allocation	$ 500,000	$ 521,794	$ 21,794
Police evidence/seizures	-	40,318	40,318
Drug seizure	267,217	100,142	(167,075)
Grant funds	167,523	160,313	(7,210)
Solid waste disposal tax	12,000	11,533	(467)
Total	$ 946,740	$ 834,100	$ (112,640)
Inspection Fees and Permits	$ 144,150	$ 170,074	$ 25,924
Investment Earnings	$ 240,000	$ 648,379	$ 408,379

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues: (continued)			
Sales and Services:			
Cemetery lots	$ 50,000	$ 50,240	$ 240
Rents, concessions, & other fees	306,937	415,865	108,928
Solid waste user fees	1,825,015	1,743,011	(82,004)
Lease revenue		11,096	11,096
Municipal ordinance violations	15,000	6,560	(8,440)
Total	$ 2,196,952	$ 2,226,772	$ 29,820
Miscellaneous:			
Miscellaneous	$ 21,190	$ 39,380	18,190
Insurance reimbursements	2,500	40,338	
Sale of materials	40,000	2,045,513	2,005,513
Total	$ 63,690	$ 2,125,231	$ 2,023,703
Total Revenues	$ 17,776,888	$ 21,007,769	$ 3,230,881
Expenditures:			
Governing Body:			
City Council:			
Salaries & employee benefits		$ 47,709	
Operating expenses		5,755	
Total	$ 53,590	$ 53,464	$ 126
Administration:			
Salaries & employee benefits		$ 235,621	
Operating expenses		19,175	
Capital outlay		-	
Total	$ 257,563	$ 254,796	$ 2,767
Finance			
Salaries & employee benefits		$ 264,733	
Operating expenses		66,738	
Capital outlay		-	
Total	$ 353,728	$ 331,471	$ 22,257
Information System:			
Salaries & employee benefits		$ -	
Operating expenses		27,261	
Total	$ 30,900	$ 27,261	$ 3,639

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures: (continued)			
General Government: (continued)			
Human Resources:			
Salaries & employee benefits		$ 153,650	
Operating expenses		63,292	
Total	$ 225,359	$ 216,942	$ 8,417
Tax/Revenue Collections:			
Salaries & employee benefits		$ 138,550	
Operating expenses		7,247	
Collection costs		187,618	
Total	$ 334,525	$ 333,415	$ 1,110
Legal:			
Professional services		$ 28,516	
Operating expenses		-	
Total	$ 35,000	$ 28,516	$ 6,484
Government Buildings:			
Salaries & employee benefits		$ 42,035	
Operating expenses		109,664	
Capital outlay		-	
Total	$ 152,070	$ 151,699	$ 371
Central Garage:			
Salaries & employee benefits		$ 273,596	
Vehicle maintenance		2,515	
Operating expenses		13,773	
Capital outlay		-	
Total	$ 338,871	$ 289,884	$ 48,987
Miscellaneous:			
Salaries and employee benefits		$ 310,130	
Retiree health insurance		221,864	
Uninsured loss expenditures		24,425	
Operating expenses		884,876	
Elections		4,827	
Total	$ 1,609,918	$ 1,446,122	$ 163,796
Total General Government	$ 3,391,524	$ 3,133,570	$ 257,954

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures: (continued)			
Public Safety:			
Police:			
Salaries & employee benefits		$ 3,425,807	
Police evidence fund expenses		26,195	
Vehicle maintenance		131,206	
Drug enforcement fund expenses		242,499	
Operating expenses		202,815	
Capital outlay		-	
Total	$ 4,311,527	$ 4,028,522	$ 283,005
Fire:			
Salaries & employee benefits		$ 2,101,179	
Vehicle maintenance		47,139	
Operating expenses		266,709	
Capital outlay		-	
Total	$ 2,828,373	$ 2,415,027	$ 413,346
Total Public Safety	$ 7,139,900	$ 6,443,549	$ 696,351
Transportation:			
Streets Repair and Construction:			
Salaries & employee benefits		$ 489,114	
Vehicle maintenance		66,109	
Operating expenses		271,621	
Street lights		465,364	
Contracted services		932	
Capital outlay		-	
Total	$ 1,409,419	$ 1,293,140	$ 116,279
Public Works:			
Salaries & employee benefits		$ 558,136	
Vehicle maintenance		6,014	
Operating expenses		568,162	
Capital outlay		-	
Total	$ 1,223,566	$ 1,132,312	$ 91,254
Total Transportation	$ 2,632,985	$ 2,425,452	$ 207,533

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures: (continued)			
Environmental Protection:			
Sanitation - Solid Waste Division:			
Salaries & employee benefits		$ 331,522	
Landfill tipping fees		318,961	
Vehicle maintenance		89,253	
Operating expenses		48,647	
Capital outlay		-	
Total	$ 940,513	$ 788,383	$ 152,130
Sanitation - Refuse Division:			
Salaries & employee benefits		$ 346,614	
Refuse tipping fees		99,679	
Vehicle maintenance		90,209	
Operating expenses		65,753	
Capital outlay		-	
Total	$ 608,242	$ 602,255	$ 5,987
Cemetery:			
Salaries & employee benefits		$ 162,241	
Vehicle maintenance		7,605	
Operating expenses		10,150	
Capital outlay		-	
Total	$ 187,668	$ 179,996	$ 7,672
Property Maintenance:			
Salaries & employee benefits		$ 583,363	
Vehicle maintenance		34,760	
Operating expenses		30,983	
Capital outlay		-	
Total	$ 656,814	$ 649,106	$ 7,708
Total Environmental Protection	$ 2,393,237	$ 2,219,740	$ 173,497

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures: (continued)			
Economic and Physical Development:			
Planning and Development:			
Salaries & employee benefits		$ 498,009	
Operating expenses		23,635	
Vehicle maintenance		2,937	
Capital outlay		-	
Economic development		5,530	
Total	$ 593,304	$ 530,111	$ 63,193
Miscellaneous:			
Main Street development	$ 77,652	$ 77,381	
Rescue squad	86,905	86,905	
Other	38,143	11,666	
Capital outlay		-	
Total	$ 202,700	$ 175,952	$ 26,748
Total Economic and Physical Development	$ 796,004	$ 706,063	$ 89,941
Cultural and Recreational:			
Davis Recreation:			
Salaries & employee benefits		$ 338,770	
Vehicle maintenance		2,973	
Operating expenses		86,801	
Capital outlay		-	
Total	$ 515,924	$ 428,544	$ 87,380
Roanoke Canal Museum:			
Salaries & employee benefits		$ 11,258	
Operating expenses		106,207	
Total	$ 116,412	$ 117,465	$ (1,053)
Roanoke Rapids Theater:			
Salaries & employee benefits		$ -	
Operating expenses		33,349	
Total	$ 63,750	$ 33,349	$ 30,401

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures: (continued)			
Cultural and Recreational: (continued)			
Aquatic Center:			
Salaries & employee benefits		$ 113,220	
Operating expenses		105,368	
Municipal swimming pool		39,401	
Total	$ 258,888	$ 257,989	$ 899
Parks:			
Salaries & employee benefits		$ 472,687	
Vehicle maintenance		19,598	
Operating expenses		108,605	
Capital outlay		-	
Total	$ 600,965	$ 600,890	$ 75
Chaloner Recreation:			
Salaries & employee benefits		$ 62,598	
Operating expenses		21,796	
Capital outlay		-	
Total	$ 86,048	$ 84,394	$ 1,654
Senior Citizens Center:			
Salaries & employee benefits		$ 83,793	
Operating expenses		35,352	
Vehicle maintenance		877	
Capital outlay		-	
Total	$ 123,964	$ 120,022	$ 3,942
Community Center:			
Salaries & employee benefits		$ 9,891	
Operating expenses		35,497	
Capital outlay		-	
Total	$ 46,449	$ 45,388	$ 1,061
Library:			
Salaries & employee benefits		$ 181,274	
Operating expenses		103,492	
Capital outlay		-	
Total	$ 359,075	$ 284,766	$ 74,309

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures: (continued)			
Cultural and Recreational: (continued)			
Andrews Meeting Hall:			
Operating expenses		$ 7,940	
Capital outlay		-	
Total	$ 8,850	$ 7,940	$ 910
Total Cultural and Recreational	$ 2,180,325	$ 1,980,747	$ 199,578
Debt Service:			
Bond/debt principal amount		$ 297,959	
Interest on debt		37,466	
Bond/service commissions		952,136	
Total Debt Service	$ 1,289,065	$ 1,287,561	$ 1,504
Total Expenditures	$ 19,823,040	$ 18,196,682	$ 1,626,358
Revenues Over (Under) Expenditures	$ (2,046,152)	$ 2,811,087	$ 4,857,239
Other Financing Sources (Uses):			
Fund balance appropriated	$ 2,046,152	$ -	$ (2,046,152)
Transfer from other funds	-	5,530	-
Installment financing	-	-	-
Total Other Financing Sources (Uses)	$ 2,046,152	$ 5,530	$ (2,040,622)
Revenues and Other Financing Sources Over Expenditures and Other Uses	$ -	$ 2,816,617	$ 2,816,617
Fund Balance, Beginning of Year		10,196,376	
Fund Balance, End of Year		$ 13,012,993	

City of Roanoke Rapids, North Carolina
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2024

	Capital Project Funds	
	Downtown Revitalization	**Total Nonmajor Capital Projects Funds**
Assets		
Cash and cash equivalents	$ -	$ -
Due from other governments	-	-
Grant receivable	-	-
Due from other funds	-	-
Accounts receivable	-	-
Total Assets	$ -	$ -
Liabilities and Fund Balances		
Liabilities:		
Accounts payable & accrued liabilities	$ -	$ -
Due to Other Funds	-	-
Total Liabilities	$ -	$ -
Fund balances:		
Reserved by state statute	$ -	$ -
Unassigned	-	-
Total Fund Balances	$ -	$ -
Total Liabilities and Fund Balances	$ -	$ -

(continued)

City of Roanoke Rapids, North Carolina
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2024

(continued)

	Special Revenue Funds						
	NC State Direct Grant Program	**Local Law Enforcement Grant Fund**	**Hodgestown Project**	**2022 CDBG Neighborhood Revitalization**	**2022 Downtown Revitalization**	**Total Nonmajor Special Revenue Funds**	**Total Nonmajor Governmental Funds**
Assets							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due from other governments	-	-	-	-	-	-	-
Grant receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Total Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Liabilities and Fund Balances							
Liabilities:							
Accounts payable & accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unearned revenue	-	-	-	-	-	-	-
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances:							
Reserved by state statute	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities and Fund Balances	$ -	$ -	$ -	$ -	$ -	$ -	$ -

City of Roanoke Rapids, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended June 30, 2024

	Capital Project Funds	
	Downtown Revitalization	**Total Nonmajor Capital Projects Funds**
Revenues		
Ad valorem taxes	$ -	$ -
Restricted intergovernmental	-	-
Other taxes and licenses	-	-
Miscellaneous	-	-
Investment earnings	-	-
Sale of fixed assets	-	-
Total Revenues	$ -	$ -
Expenditures		
Current:		
Economic & physical development	$ -	$ -
Capital outlay	-	-
Total Expenditures	$ -	$ -
Excess (Deficiency) of Revenues Over Expenditures	$ -	$ -
Other Financing Sources (Uses):		
Transfers (to) from other funds	$ (1,200)	$ (1,200)
Local contributions	-	-
Total Other Financing Sources (uses)	$ (1,200)	$ (1,200)
Net Change in Fund Balances	$ (1,200)	$ (1,200)
Fund Balances:		
Beginning of year, July 1	1,200	1,200
End of year, June 30	$ -	$ -

(continued)

City of Roanoke Rapids, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended June 30, 2024

(continued)

	Special Revenue Funds						
	NC State Direct Grant Program	**Local Law Enforcement Grant Fund**	**Hodgestown Project**	**2022 CDBG Neighborhood Revitalization**	**Downtown Revitalization**	**Total Nonmajor Special Revenue Funds**	**Total Nonmajor Governmental Funds**
Revenues							
Ad valorem taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted intergovernmental	36,205	-	-	188,143	196,326	420,674	420,674
Other taxes and licenses	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-
Total Revenues	$ 36,205	$ -	$ -	$ 188,143	$ 196,326	$ 420,674	$ 420,674
Expenditures							
Current:							
Economic & physical development	$ 36,205	$ -	$ -	$ 188,143	$ 196,326	$ 420,674	$ 420,674
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	$ 36,205	$ -	$ -	$ 188,143	$ 196,326	$ 420,674	$ 420,674
Excess (Deficiency) of Revenues Over Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Financing Sources (Uses):							
Transfers (to) from other funds	$ -	$ (1,832)	$ (2,498)	$ -	$ -	$ (4,330)	$ (5,530)
Financing proceeds	-	-	-	-	-	-	-
Total Other Financing Sources (uses)	$ -	$ (1,832)	$ (2,498)	$ -	$ -	$ (4,330)	$ (5,530)
Net Change in Fund Balances	$ -	$ (1,832)	$ (2,498)	$ -	$ -	$ (4,330)	$ (5,530)
Fund Balances:							
Beginning of year, July 1	-	1,832	2,498	-	-	4,330	5,530
Prior period adjustment	-	-	-	-	-	-	-
End of year, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -

City of Roanoke Rapids, North Carolina
Special Revenue Fund - NC State Direct Grant Program
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2024

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Favorable (Unfavorable)
Revenues:					
State grant	$ 3,500,000	$ 3,463,795	$ 36,205	$ 3,500,000	$ -
Total Revenues	$ 3,500,000	$ 3,463,795	$ 36,205	$ 3,500,000	$ -
Expenditures:					
Debt service	$ 2,601,054	$ 2,601,054	$ -	$ 2,601,054	$ -
Renovations	798,946	762,741	36,205	798,946	-
Administration	100,000	100,000	-	100,000	-
Total Expenditures	$ 3,500,000	$ 3,463,795	$ 36,205	$ 3,500,000	$ -
Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			$ -		

City of Roanoke Rapids, North Carolina
Special Revenue Funds - Local Law Enforcement Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Investment earnings	$ 150	$ 350	$ -	$ 350	$ 200
Federal grant	48,100	63,553	-	63,553	15,453
Total Revenues	$ 48,250	$ 63,903	$ -	$ 63,903	$ 15,653
Expenditures:					
Capital outlay	53,405	66,415	-	66,415	(13,010)
Revenues Over (Under) Expenditures	$ (5,155)	$ (2,512)	$ -	$ (2,512)	$ 2,643
Other Financing Sources:					
Transfer in (out)	5,155	4,344	(1,832)	2,512	(2,643)
Revenues and Other Financing Sources Over (Under) Expenditures	$ -	$ 1,832	$ (1,832)	$ -	$ -
Fund Balance:					
Beginning of year, July 1			1,832		
End of year, June 30			$ -		

City of Roanoke Rapids, North Carolina
Special Revenue Funds - Hodgestown Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Investment earnings	$ -	$ 10,201	$ -	$ 10,201	$ 10,201
Sale of fixed assets	165,000	95,008	-	95,008	(69,992)
Roanoke Rapids Sanitary District contribution	19,860	16,519	-	16,519	(3,341)
Spring Street reimbursement	-	8,500	-	8,500	8,500
Total Revenues	$ 184,860	$ 130,228	$ -	$ 130,228	$ (54,632)
Expenditures:					
Contracted services	$ 41,371	$ 40,375	$ -	$ 40,375	$ 996
Miscellaneous	139,882	-	-	-	139,882
Engineering and design	32,700	-	-	-	32,700
Testing of materials	2,500	-	-	-	2,500
Street/Utility Construction	115,719	87,636	-	87,636	28,083
Contingency	54,525	1,183	-	1,183	53,342
Total Expenditures	$ 386,697	$ 129,194	$ -	$ 129,194	$ 257,503
Revenues Over (Under) Expenditures	$ (201,837)	$ 1,034	$ -	$ 1,034	$ 202,871
Other Financing Sources:					
Transfers in (out)	$ 42,270	$ 1,464	$ (2,498)	$ (1,034)	$ (43,304)
Fund balance appropriated	159,567	-	-	-	(159,567)
Total Other Financing Sources (Uses)	$ 201,837	$ 1,464	$ (2,498)	$ (1,034)	$ (202,871)
Revenues and Other Financing Sources Over (Under) Expenditures	$ -	$ 2,498	$ (2,498)	$ -	$ -
Fund Balance:					
Beginning of year, July 1			2,498		
End of year, June 30			$ -		

City of Roanoke Rapids, North Carolina
Special Revenue Funds - Downtown Revitalization
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2024

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Favorable (Unfavorable)
Revenues:					
CDBG	$ 250,000	$ 53,674	$ 196,326	$ 250,000	$ -
Total Revenues	$ 250,000	$ 53,674	$ 196,326	$ 250,000	$ -
Expenditures:					
Administration	$ -	$ -	$ -	$ -	$ -
Revitalization	250,000	53,674	196,326	-	250,000
Total Expenditures	$ 250,000	$ 53,674	$ 196,326	$ -	$ 250,000
Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ 250,000	$ 250,000
Other Financing Sources (uses):					
Transfers in (out)	$ -	$ -	$ -	$ -	$ -
Fund balance appropriated	-	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -
Revenues and Other Financing Sources Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			$ -		

City of Roanoke Rapids, North Carolina
Special Revenue Funds - CDBG Neighborhood Revitalization
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Favorable (Unfavorable)
Revenues:					
CDBG	$ 750,000	$ 463,290	$ 188,143	$ 651,433	$ (98,567)
Total Revenues	$ 750,000	$ 463,290	$ 188,143	$ 651,433	$ (98,567)
Expenditures:					
Rehabilitation	$ 575,000	$ 408,627	$ 76,368	$ 484,995	$ 90,005
Public Facilities	100,000	-	98,686	-	100,000
Administration and Planning	75,000	54,663	13,089	67,752	7,248
Total Expenditures	$ 750,000	$ 463,290	$ 188,143	$ 67,752	$ 682,248
Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ 583,681	$ 583,681
Other Financing Sources (uses):					
Transfers in (out)	$ -	$ -	$ -	$ -	$ -
Fund balance appropriated	-	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -
Revenues and Other Financing Sources Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			$ -		

City of Roanoke Rapids, North Carolina
Capital Project Funds - Downtown Revitalization
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2024

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Favorable (Unfavorable)
Revenues:					
Econ Dev Grant - DOC	$ 94,340	$ 94,340	$ -	$ 94,340	$ -
Total Revenues	$ 94,340	$ 94,340	$ -	$ 94,340	$ -
Expenditures:					
Streetscape	$ 35,000	$ 35,000	$ -	$ 35,000	$ -
Urban greenspace	54,340	53,140	-	53,140	1,200
Façade improvement	5,000	5,000	-	5,000	-
Total Expenditures	$ 94,340	$ 93,140	$ -	$ 93,140	$ 1,200
Revenues Over (Under) Expenditures	$ -	$ 1,200	$ -	$ 1,200	$ 1,200
Other Financing Sources (Uses)					
Transfer to General Fund	$ -	$ -	$ (1,200)	$ (1,200)	$ (1,200)
Revenues and Other Financing Sources Over (Under) Expenditures	$ -	$ 1,200	$ (1,200)	$ -	$ -
Fund Balance:					
Beginning of year, July 1			1,200		
End of year, June 30			$ -		

Other Schedules

This section contains additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

City of Roanoke Rapids, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023-2024	$ -	$ 8,754,817	$ 8,685,318	$ 69,499
2022-2023	70,626	-	37,814	32,812
2021-2022	39,387	-	11,841	27,546
2020-2021	26,867	-	6,363	20,504
2019-2020	29,008	-	6,519	22,489
2018-2019	23,360	-	3,858	19,502
2017-2018	22,807	-	2,544	20,263
2016-2017	12,626	-	1,490	11,136
2015-2016	12,035	-	1,421	10,614
2014-2015	12,313	-	884	11,429
2013-2014	12,537	-	323	12,214
2012-2013	13,751	-	13,751	-
Total	$ 275,317	$ 8,754,817	$ 8,772,126	$ 258,008

Less allowance for Uncollectible Ad Valorem Taxes Receivable	33,500
Ad Valorem Taxes Receivable - Net	$ 224,508
Reconcilement with Revenues:	
Taxes - Ad valorem - General Fund	$ 8,765,431
Discounts and adjustments	43,298
Taxes written off	13,751
Penalties and interest	(50,354)
Total Collections and Credits (above)	$ 8,772,126

City of Roanoke Rapids, North Carolina
Analysis of Current Tax Levy - City-wide Levy
For the Fiscal Year Ended June 30, 2024

				Total Levy	
	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Vehicles	Registered Vehicles
Real Estate/Personal Property	$ 1,162,352,194	0.661	$ 7,683,148	$ 7,683,148	$ -
Motor Vehicles	159,702,269	0.661	1,055,632	-	1,055,632
Tax Levy	$ 1,322,054,463		$ 8,738,780	$ 7,683,148	$ 1,055,632
Afterlists & Discovery Billings	2,426,172	0.661	16,037	-	-
Net Levy	$ 1,324,480,635		$ 8,754,817	$ 7,683,148	$ 1,071,669
Less uncollected taxes at June 30, 2024			69,499	69,499	-
Current Year's Taxes Collected			$ 8,685,318	$ 7,613,649	$ 1,071,669
Current Levy Collection Percentage			99.21%	99.10%	100.00%

Gregory T. Redman, CPA

GTR

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

Independent Auditor's Report

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Roanoke Rapids, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Roanoke Rapids, North Carolina's basic financial statements, and have issued my report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City of Roanoke Rapids, North Carolina's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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

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My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Gregory T. Redman, CPA

Gregory T. Redman, CPA
Tarboro, North Carolina
October 30, 2024

Gregory T. Redman, CPA

GTR

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Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Members of the Board of Commissioners
City of Roanoke Rapids, North Carolina
Roanoke Rapids, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major Federal Program

I have audited the City of Roanoke Rapids, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of City of Roanoke Rapids, North Carolina's major State programs for the year ended June 30, 2024. The City of Roanoke Rapids, North Carolina's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, City of Roanoke Rapids, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

I am required to be independent of the City of Roanoke Rapids, North Carolina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. My audit does not provide a legal determination of the City of Roanoke Rapids' compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Roanoke Rapids, North Carolina's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Roanoke Rapids, North Carolina's compliance with the requirements of each major State program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Roanoke Rapids, North Carolina's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.

- Obtain an understanding of City of Roanoke Rapids, North Carolina's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Roanoke Rapids, North Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during my audit, I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gregory T. Redman, CPA

Tarboro, North Carolina
October 30, 2024

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

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	________yes ____X___no
• Significant deficiencie(s) identified that are not considered to be material weaknesses	________yes ____X___none reported
Noncompliance material to financial statements noted	________yes ____X___no

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

Section I – Summary of Auditor's Results

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ________yes ___X___no
- Significant deficiencie(s) identified that are not considered to be material weaknesses ________yes ___X___none reported

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

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act ________yes ___X___no

Auditee qualifies as low-risk auditee ___X___yes ________no

Identification of major State programs:

Program Name
Powell Bill Funds

Section II – Financial Statement Findings

None Reported.

Section III – State Award Findings

None Reported.

City of Roanoke Rapids, North Carolina
Schedule of Expenditures of Federal and State Awards
June 30, 2024

Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Federal Expenditures	State Expenditures
FEDERAL GRANTS:			
U.S. Department of Health and Human Services			
Passed-through N.C. Department of Health and Human Services:			
Access:			
90 % State Funds	N/A	$ -	$ 3,467
Special Programs for the Aging, Title III-B	93.044	8,091	675
Total		$ 8,091	$ 4,142
In-Home Services:			
HCCBG - In-home/Supp Svc	N/A	$ -	$ 22,470
Social Services Block Grant	93.667	2,125	100
Special Programs for the Aging, Title III-B	93.044	4,950	315
Total		$ 7,075	$ 22,885
U.S. Department of Housing and Urban Development			
Passed-through N.C. Department of Commerce:			
Community Development Block Grant	14.228	$ 384,469	$ -
U. S. Department of Jutice			
Passed-through N.C. Department of Public Safety:			
Public Safety Partnership and Community Policing Grants	16.710	$ 92,926	$ -
Edward Byrne Memorial Justice Assistance Program	16.738	11,702	-
Patrick Leahy Bulletproof Vest	16.607	4,375	-
Total		$ 109,003	$ -
STATE GRANTS:			
N.C. Department of Transportation:			
Powell Bill	N/A	$ -	$ 521,794
N.C. Department of Natural and Cultural Resources:			
Aid to Public Libraries	N/A	$ -	$ 16,374
N.C. Department of Health and Human Services:			
Senior Center General Purpose	N/A	$ -	$ 11,093
N.C. Office of State Budget and Management			
State Directed Grants	N/A	$ -	$ 36,205
Total Assistance		$ 508,638	$ 612,493

Note 1:
The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Roanoke Rapids under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operation of the City of Roanoke Rapids, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Roanoke Rapids.

Note 2:

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.