

Town of Knightdale North Carolina



Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2024



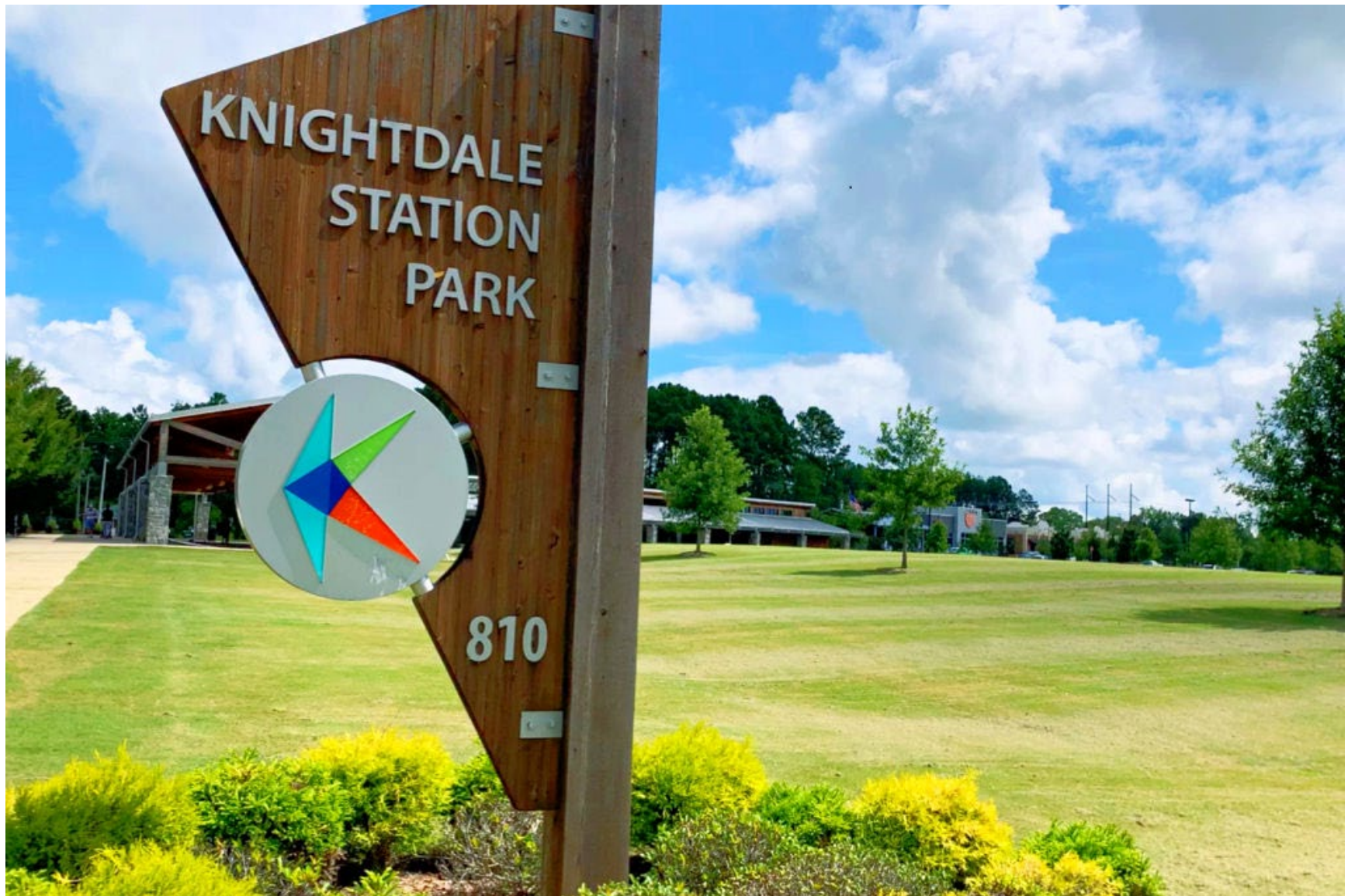
KNIGHTDALE
NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY

FINANCE STAFF



Knightdale Station Park

MAYOR AND TOWN COUNCIL MEMBERS

As of June 30, 2024



Mayor Jessica Day
Term 2023-2027



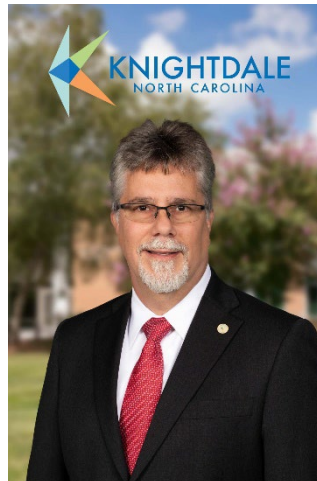
Mayor Pro Tempore Latatious Morris
Term 2021-2025



Councilor Steve Evans
Term 2021-2025



Councilor Ben McDonald
Term 2023-2027



Councilor Stephen Morgan
Term 2023-2027



Councilor Mark Swan
Term 2021-2025

Individual contact information is available at www.knightdalenc.gov



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ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024

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This section, which is unaudited, introduces the reader to the report and to the Town. It includes the letter of transmittal, GFOA award, and organizational information regarding the Town of Knightdale.

INTRODUCTORY SECTION



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November 5, 2024

**To the Honorable Mayor, Members of the Town Council, and the Citizens
Town of Knightdale, North Carolina**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Town of Knightdale, North Carolina, for the fiscal year ended June 30, 2024, as state law requires local governments publish a complete set of audited financial statements annually.

This report consists of management's representations concerning the financial position and results of operations for the fiscal year ended June 30, 2024. Consequently, management assumes responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Knightdale has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Knightdale's financial statements in conformity with generally accepted accounting principles (GAAP). As management, we assert to the best of our belief and knowledge, this financial report is complete and reliable in all material respects.

The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Joyce and Company, CPA, and that firm's unmodified opinion is included in the Financial Section of this report. The report, however, is presented by the Town of Knightdale, which is responsible for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data as presented is accurate in all material aspects.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis complements this letter of transmittal and should be read in combination with it.

PROFILE OF THE TOWN OF KNIGHTDALE

Incorporated in 1927, the Town of Knightdale is located in Wake County just seven miles east of Raleigh, the State Capital of North Carolina. Established during the railroad boom, the Town is named after Henry H. Knight, whose farm was closeby. The Town has a corporate limits comprised of 8.54 square miles and an extraterritorial jurisdiction of 16.65 square miles. The Town has a population of 20,957 according to the 2023 Population Estimate from the North Carolina Office of State Budget and Management. This is an 84% increase from the 2010 Census, and an 8% increase from the 2020 Census. According to the latest Census data, the median age in Knightdale is 35.5 years old.

Knightdale has a Council-Manager form of government. Under this system the citizens elect a mayor and five council members as the Town's governing body. The Council then appoints the Town Manager who serves at the discretion of the council. Council members are elected to four-year terms. Three of the members are elected in one year, and the two remaining members and the mayor are elected two years later. The mayor, as the principal elected official of the Town, provides leadership to the governing body and the community, and presides over board meetings. The Town provides a full range of services including police, fire, sanitation, development services, construction and maintenance of streets and infrastructure, and recreational activities and events.

State law requires that the Town Council approve an annual budget prior to July 1. The budget ordinance authorizes all financial transactions of the Town except those authorized by a project ordinance or conducted through a trust or agency fund. The budget is prepared by fund and department. Department heads may transfer resources within a department and the Town Manager may transfer between departments, but any change which increases or decreases a fund's overall budget requires approval of the Council.

LOCAL ECONOMY

The Town of Knightdale is one of the fastest growing cities in North Carolina. The Town's economy benefits from its proximity to the City of Raleigh and the Research Triangle Park, lands set aside for technological and research-oriented companies. The Triangle area which includes Raleigh, Durham, Chapel Hill and surrounding communities is considered one of the best places to live and work in the United States. The Triangle is home to Duke University, North Carolina State University, the University of North Carolina and Wake Technical Community College. Knightdale's local economy has been growing rapidly. The Town's unemployment rate is lower than the state and national averages. As of June 2024, this area of North Carolina had an unemployment rate of 3.6%, which is lower than the statewide rate of 4.1% and national rate of 4.3%. The Knightdale area median household income is \$90,039 compared to \$80,610 across the entire United States. The North Carolina median household income is \$68,610.

The Town of Knightdale's diverse economy is supported by businesses of all shapes and sizes from locally owned shops to nationally recognized corporations. Town businesses and Town operations have returned to normal since the pandemic ended. Town programming has also recovered as recreational events have been back to the pre-pandemic level. The business climate looks great with the total number of businesses in Knightdale being 684 with 10,615 employees compared to 623 businesses with 6,667 employees in the prior year, an increase of 10% and 59% respectively.

Knightdale has experienced solid but disproportional growth in recent years. Retail trade, restaurants, and accommodations have dominated growth. Most residents commute outside of Knightdale for employment. The surrounding region is expected to continue to experience strong employment growth among well-paying industries, and Knightdale has a lot to offer to potential employers - the Town has a relatively young and well-educated population; labor force participation rate is high among residents, and unemployment rates are low; growth in housing construction is strong; median home prices are relatively low while home appreciation is robust.

Robust growth coupled with comparatively low prices position Knightdale's housing market as both attractive and affordable for area workers. The median home sales price in Knightdale is \$397,000 compared to Wake County at \$460,000. As of 2023, there were 8,016 housing units in Knightdale, an increase of 4085 units or 104% since 2010. The average sales price for homes in Knightdale in 2024 is \$418,637 compared to \$325,301 last year, a 29% increase.

MAJOR INITIATIVES

In July 2024, Town Council unanimously voted to adopt KnightdaleNext V.2 2035 Comprehensive Plan as the official guidance statement regarding the Town's goals and objectives for future growth. KnightdaleNext V.2 is an update to the original KnightdaleNext Comprehensive Plan, adopted in 2018. The horizon year remains at 2035. This plan update focuses on conservation and development efforts for an eleven-year planning horizon, 2024 to 2035. The updated V.2 plan builds upon the information included in the 2018 version, and provides greater focus and clarity related to community character, quality development, and preferred growth areas expected for the planning area. It moves the community closer to "intended outcomes", "greater predictability", and "coordinated efforts" for the future. It will serve as the foundation for determining effective public policy and for making land use decisions for the future that will provide an ongoing framework for informed and directed public investment and private development. The broad range of development issues and Town services addressed makes it a playbook for growth that reflects the priorities and values of Knightdale residents, safeguarding the Town's history and sense of place.

In March 2024, Town Council unanimously voted to adopted the Affordable Knightdale Plan. Affordable Knightdale puts forward a path that will aid in the realization of the Town's vision for an inclusive, livable, and affordable future. With the guidance and expertise of UNC-Greensboro's Center for Housing & Community Studies, an action-oriented plan was developed that not only prioritizes affordable housing, but emphasizes the importance of inclusive and equitable growth.

The Town completed construction of a new fire station along the Hodge Road corridor, Fire Station No.4 in March 2024. The new fire station is approximately 10,000 square feet and costs roughly \$6.6 million. Thirty percent of the project's cost was funded by Wake County through a cost share agreement. Station No.4 is the first of three major public safety facility projects that the Town is in the process of building. With the addition of this state-of-the-art station, the Town will be able to provide emergency services to the western part of the town more quickly and efficiently, resulting in improved outcomes for the citizens. Construction of the Forestville Road Fire station was initiated during fiscal year 2023 with an estimated completion date of FY 2025. The current Public Safety facility is under design for expansion with construction starting in FY2025.

The Town's Fire Department received two new Pierce Enforcers engines in FY2024. These new engines replaced the old ones. They are smaller than the previous ones. As Knightdale transforms into a more urban community, these smaller vehicles will provide more effective and efficient maneuverability. They carry 750 gallons of water with a 1500 GPM pump. The new engines are also equipped with Idle Reduction Technology, which offers many benefits, including fuel savings and reductions in pollution, greenhouse gas emission, noise, and engine wear. They are also equipped with all the firefighting, EMS, and rescue equipment needed for emergencies. They are a great example of the Town's commitment to sustaining quality services as the landscape of Knightdale continues to change.

RELEVANT FINANCIAL POLICIES

Fund balance is an accounting term defined as the difference between assets and liabilities in a governmental fund. The term “reserves” is often used by public finance practitioners, but is not a governmental accounting term. It refers to the portion of fund balance held in reserve to buffer against financial distress or risk. The North Carolina State Treasurer recommends a minimum unallocated general fund balance of 8%. However, the Knightdale Town Council has determined that the Town should strive to maintain an available fund balance of 25% of expenditures and interfund transfers at the close of each fiscal year. Any unassigned fund balance at year end in excess of 40% is transferred to its Capital Reserve Fund in the following fiscal year. The Town also works to maintain modest debt levels and is careful with its capital planning and expenditures. Per a policy adopted in 2017 and updated in 2023, the Town strives to maintain a debt ratio of no greater than 15% of the anticipated expenditures for the current fiscal year. The Town continues to meet these financial policy objectives.

Internal controls are a process affected by the Town's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations; (2) reliability of financial reporting; and (3) compliance with laws and regulations. Internal controls can provide reasonable, not absolute, assurance that the objectives of the Town are met. The concept of reasonable assurance implies a high degree of assurance, constrained by the costs and benefits of establishing incremental control procedures.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Knightdale for the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This is the thirty-second (32nd) such certificate the Town has received. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is the highest form of recognition awarded in the field of governmental reporting. A Certificate of Achievement is valid for one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

We would also like to commend each Town department for their cooperation and assistance throughout the year in the efficient administration and commitment to the vision, mission and goals of the Town of Knightdale. We extend a special thanks to Joyce and Company, CPA, for their hard work and efforts throughout the audit process. Recognition and appreciation are also extended to Town Council for their leadership and dedication to serving the people of the Town of Knightdale. This report is a testament to their continued support and desire for maintaining the highest standards in fiscal management and accountability.

William R. Summers

William R. Summers, ICMA-CM
Town Manager

Mark Stephens

Mark Stephens, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Knightdale
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

TOWN OF KNIGHTDALE, NORTH CAROLINA
KEY ADMINISTRATIVE POSITIONS

as of June 30, 2024

Bill Summers
Town Manager

Dustin Tripp
Assistant Town Manager

Suzanne Yeatts
Assistant Town Manager

Lawrence Capps
Police Chief

JP Lefever
Parks & Recreation Director

Rachel Morris
Community Relations Director

Phillip Bunton
Public Works Director

Loren Cone
Fire Chief

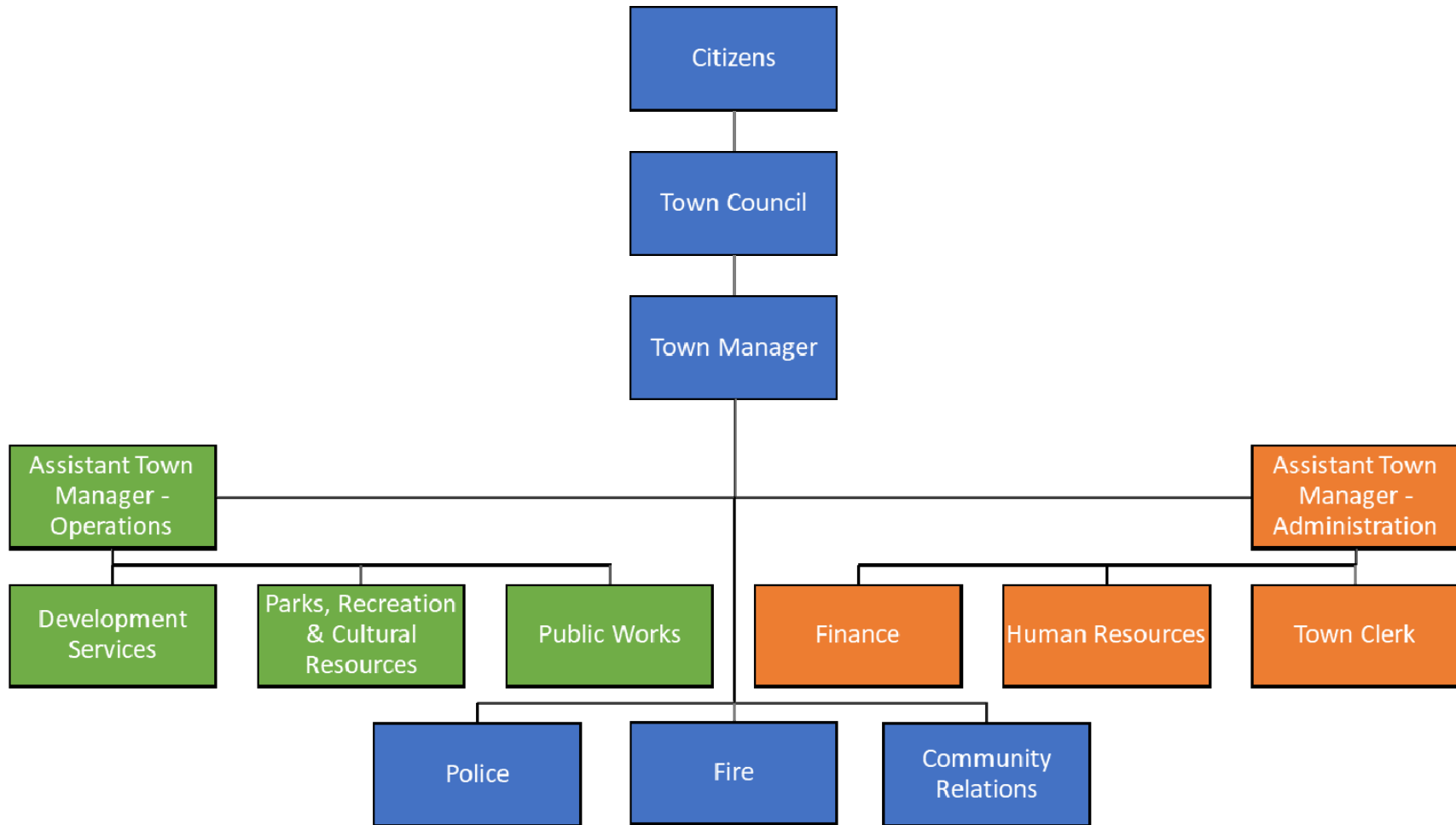
Jason Brown
Development Services Director

Mark Stephens
Finance Director

Marcey Bell
Human Resources Director

Heather Smith
Town Clerk

TOWN ORGANIZATIONAL CHART





Harper Park Shade Structure



This section includes the independent auditor's report, the management discussion and analysis, the basic financial statements (government-wide and fund financial statements), notes to financial statements and required supplemental information other than management discussion and analysis (budget to actual comparison of major governmental funds and pension schedules).

FINANCIAL SECTION



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Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Town of Knightdale, North Carolina

Report on the Audit of Financial Statements

Opinions

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

In our opinion, 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 the Town of Knightdale as of June 30, 2024, and the respective changes in financial position, and cash flows where applicable thereof and the respective budgetary comparison for the General Fund and major, annually budgeted special revenue funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Knightdale and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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; this includes the design, implementation, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Governmental Auditing Standards, will always detect material misstatement when it exists. The risk of not detecting 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 *Governmental Auditing Standards* we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Knightdale's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Knightdale's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 27, the Law Enforcement Officers' Special Separation Allowance's Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 84 through 85, the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on page 86, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 82 through 83 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Knightdale's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules, statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules and Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2024 on our consideration of the Town of Knightdale's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Knightdale's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Knightdale's internal control over financial reporting and compliance.



Joyce and Company, CPA
Cary, North Carolina

November 5, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Knightdale, we offer readers of the Town of Knightdale's annual comprehensive financial report this narrative overview and analysis of the financial activities of the Town of Knightdale for the fiscal year ended June 30, 2024. Readers are encouraged to read the information presented here in conjunction with the transmittal letter located on pages 3-6 of this report and additional information that we have furnished in the Town's financial statements, which follow this narrative.

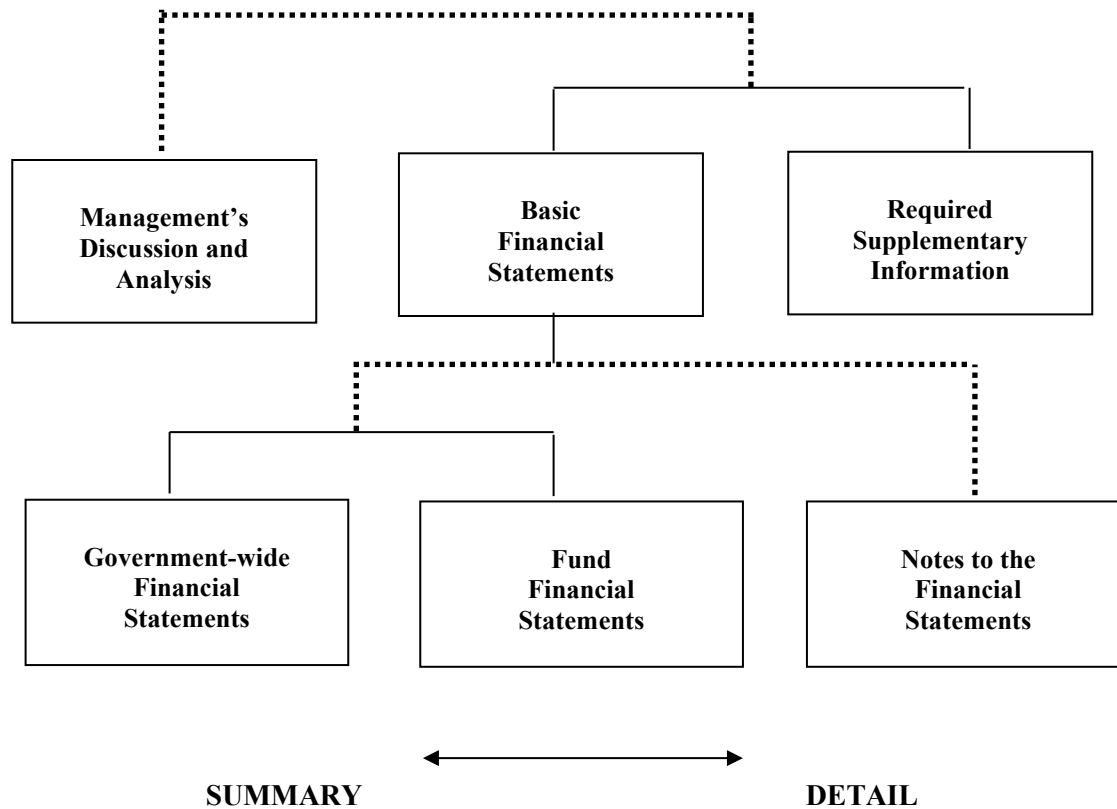
FINANCIAL HIGHLIGHTS

- At June 30, 2024, the assets and deferred outflows of the Town of Knightdale exceeded its liabilities and deferred inflows of resources by \$133,264,987 (*net position*).
- The Town's total net position increased over the course of the year's operations by \$6,033,795 (4.74%).
- At fiscal year-end, governmental activities revenue was \$36,318,484, a decrease of \$8,414,114 from the prior year. The two largest revenue sources were from property taxes of \$12,429,757 and grants and contributions restricted of \$6,910,505.
- Total governmental activities expenses for the year ending June 30, 2024, were \$30,284,689. This is an increase of \$2,752,021 or 10.00%, from the prior year.
- As of the close of the current fiscal year, the Town of Knightdale's governmental funds reported combined ending fund balances of \$26,218,546 which is a net decrease of \$6,151,771 or 19.00% in fund balance from the prior year. Approximately 27.60% of this total amount, or \$7,235,638 is non spendable or restricted.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$8,782,655 or 32.33% of total general fund expenditures (including transfers to other funds less installment notes) for the fiscal year. The Town Council's policy is that this ratio should be at least 25% as of the fiscal year end.
- As of June 30, 2024, the Town had total debt outstanding of \$17,047,697. Of this amount, \$1,000,000 is general obligation bonds backed by the full faith and credit of the Town, and \$16,047,697 relates to installment purchase agreements for land, buildings, equipment, and vehicles. Collateral for these installment purchase agreements are the assets purchased or constructed.
- The Town of Knightdale's total debt decreased by \$1,859,660 or 9.84% during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Knightdale's basic financial statements. This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide financial statements, 3) fund financial statements, and 4) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town 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 Town of Knightdale.

Figure 1
Required Components of Annual Financial Report



Basic Financial Statements

- The first two statements (Exhibits 1 and 2) in the basic financial statements are **Government-wide Financial Statements**. They provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements (Exhibit 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of individual parts of the Town's government, reporting the Town's operations in more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those financial statements. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Supplemental information is provided to show details about the Town’s individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. Figure 2 summarizes the major features of the Town’s financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2

Major Features of the Town of Knightdale’s Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire Town government	The activities of the Town that are not proprietary, such as public safety and parks.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short term and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide Financial Statements

The government-wide financial statements (Exhibits 1 and 2 of this report) are designed to provide the reader with a broad overview of the Town’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 Town’s financial status as a whole. The statement of net position includes *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town’s *net position* and how it has changed. Net position is the difference between the total assets and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town’s financial health, or condition.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, additional non-financial factors such as changes in the Town's property tax rate and the condition of the Town's roads should be considered.

The government-wide financial statements of the Town is comprised of the following:

- Governmental activities - Most of the Town's basic services are included here, such as the police, fire, public works, parks and recreation departments, and general administration. Property taxes, local option sales taxes, and state and federal grant funds finance most of these activities.

Fund Financial Statements

The fund financial statements (Exhibits 3-5) provide more detailed information about the Town's most significant activities - not the Town as a whole. A fund is a grouping of related accounts that the Town uses to maintain control over specific sources of funding and spending that have been segregated for specific activities or objectives. The Town of Knightdale, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Knightdale consist of 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 Town's basic services are accounted for in governmental funds. These funds focus on (1) how *cash and other* financial assets that can readily be converted to cash flow in and out and (2) the balances 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. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps you determine whether there are more or less financial resources available that can be spent in the near future to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The Town of Knightdale 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 Town, the management of the Town, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town 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 Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located on pages 42-79 of this report.

Figure 3
NET POSITION

	Governmental Activities	
	2024	2023
Current and other assets	\$ 28,040,691	\$ 34,278,516
Capital assets	141,043,668	128,937,794
Total assets	169,084,359	163,216,310
Total deferred outflows of resources	7,680,307	7,237,534
Other liabilities	5,041,872	4,631,976
Long-term liabilities	34,232,034	33,763,761
Total liabilities	39,273,906	38,395,737
Total deferred inflows of resources	4,225,773	4,826,915
Net position:		
Net investment in capital assets	122,241,916	114,560,503
Restricted	7,216,824	5,647,781
Unrestricted	3,806,247	7,022,908
Total net position	\$ 133,264,987	\$ 127,231,192

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Knightdale's progress in funding its obligations to provide pension and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 81 of this report.

Interdependence with Other Entities: The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

Figure 4
Changes in Net Position

	Governmental	
	Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 3,765,397	\$ 3,723,080
Operating grants and contributions	3,136,295	7,511,882
Capital grants and contributions	6,910,505	12,852,828
General revenues:		
Property taxes	12,429,757	11,599,976
Other taxes	1,747,006	535,830
Grants and contributions not restricted to specific programs	6,830,614	7,429,063
Unrestricted investment earnings	1,152,753	808,518
Other revenues	346,157	271,421
Total revenues	36,318,484	44,732,598
Expenses		
General government	3,881,523	3,829,471
Public safety	13,328,384	12,122,180
Transportation	6,029,958	5,725,222
Environmental protection	2,308,029	2,137,790
Economic and physical development	1,696,032	1,122,558
Cultural and recreational	2,577,647	2,366,509
Interest on long-term debt	463,116	228,938
Total expenses	30,284,689	27,532,668
Change in net position	6,033,795	17,199,930
Net Position-beginning	127,231,192	110,031,262
Net Position-ending	\$ 133,264,987	\$ 127,231,192

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 Town of Knightdale exceeded liabilities and deferred inflows by \$133,264,987 as of June 30, 2024. This is an increase in net position by \$6,033,795 or 4.74% from the previous year. The largest portion, \$122,241,916 or 91.73% of total net position, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Knightdale uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Knightdale's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Knightdale's net position, \$7,216,824 or 5.42% of total net position, represents resources that are subject to external restrictions on how they may be used.

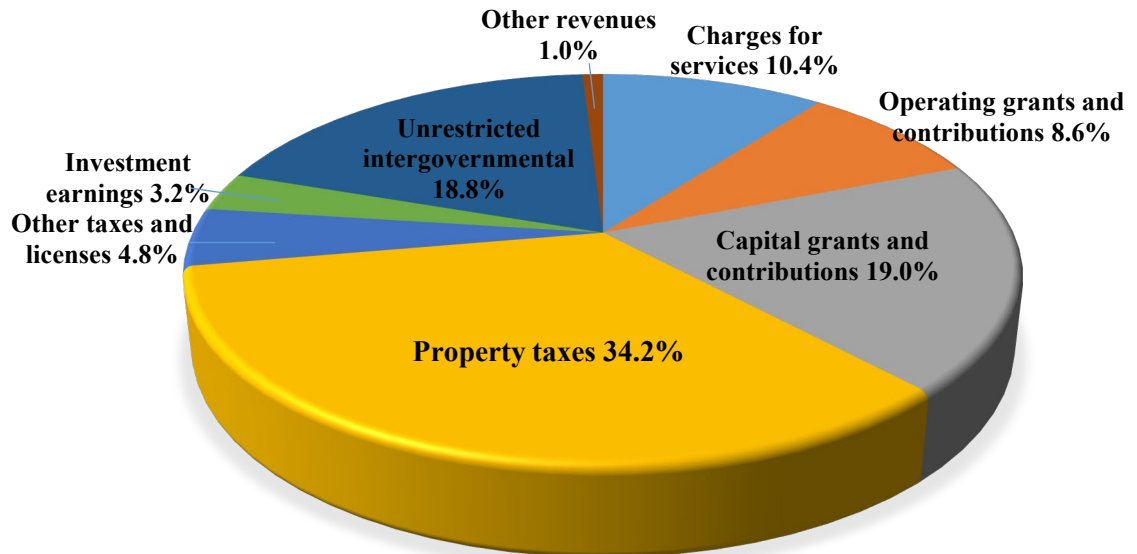
GOVERNMENTAL ACTIVITIES

Governmental activities increased the Town's net position by \$6,033,795 or 4.74%, thereby accounting for all of the total growth in net position of the Town of Knightdale. Key elements of this increase are as follows:

Revenues-Governmental Activities

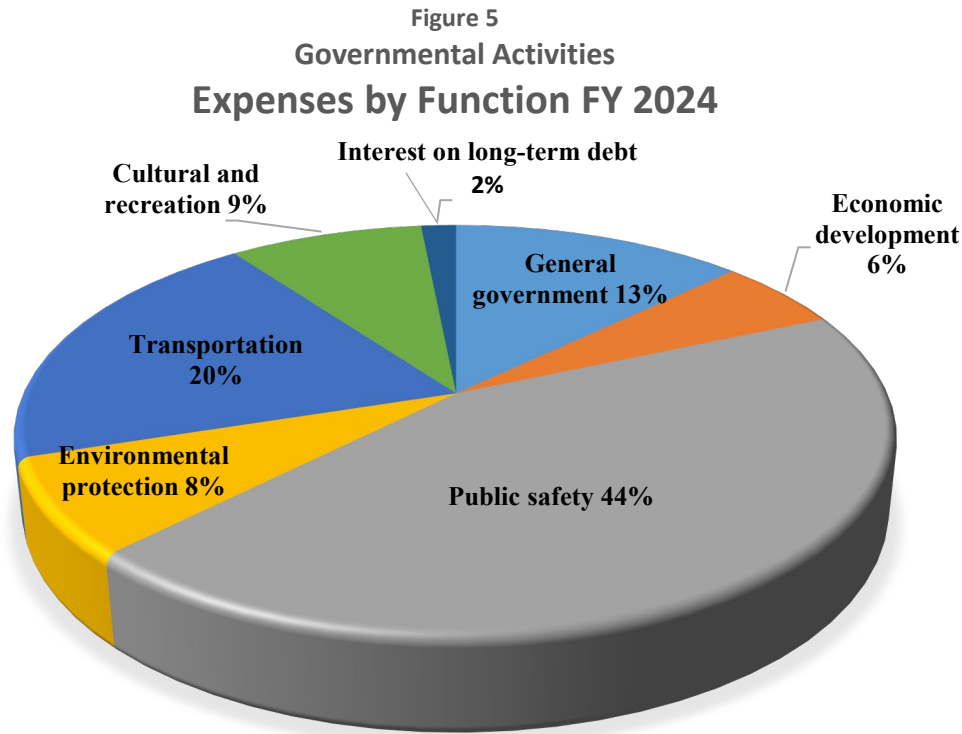
- Ad Valorem Taxes make up 34.22% of the governmental activity revenue and have traditionally been the single most important revenue source for funding local government operations. Property taxes are expected, over the long term, to remain one of the top two revenue sources for the Town. The Town's tax rate during fiscal year 2024 was 45 cents per \$100 assessed value with an assessed value of \$2,740,601,556 (per Wake County tax report). Knightdale's tax base grew 6.62% from fiscal year 2023. The Town continues to experience commercial and residential growth. Wake County continues to act as a tax collector for the Town, with current year collections at 99.68%. The statewide average tax collection percentage was 99.32% for FY2022-2023, which is the last year information is available.
- Unrestricted intergovernmental revenue is also a large revenue source accounting for 18.81% of total governmental revenues. Local option sales tax accounts for a majority of this category. The sales tax is basically a tax on the retail sale or lease of tangible personal property. Although the Town does

Figure 5
Governmental Activities
Revenues by Source FY 2024



not levy these taxes, they share in the proceeds collected for Wake County, in which the Town is located. Intergovernmental revenues also include state collected reimbursements for franchise taxes, wine and beer tax and ABC profits.

- Capital grants and contributions make up 19.03% of the governmental activity revenue. This amount consists primarily of donated infrastructure through Developer built streets and sidewalks.



Expenses-Governmental Activities

- The primary expenses are divided into seven different functions: General Government, Public Safety, Transportation, Environmental Protection, Economic Development, Cultural and Recreational, and interest on long-term debt.
- Total expenses were \$30,284,689 for the year ending June 30, 2024. This is an increase of \$2,752,021 or 10%, from the prior year. The increase was due in part to new positions added in Public Safety.
- Public safety is the largest expense of the Town representing \$13,328,384 or 44% of the total expenses during fiscal year 2024. These are the funds spent on the Town's Police and Fire operations.
- The transportation function accounts for 20% of the Town's expenses reflecting a total amount spent of \$6,029,958. These costs include street and sidewalk infrastructure construction, maintenance, and repair costs. It also includes operational expenses for the public works department. These expenses increased \$304,736 from the prior year.
- The Town spent \$463,116 on interest towards its long-term debt. This is an increase of \$234,178 or 102%, from the prior year. Principal payments are expensed in the function where the debt was incurred.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

The General Fund is the chief operating fund of the Town of Knightdale. At the end of the current fiscal year, Town of Knightdale's fund balance available in the General Fund was \$8,782,655 while total fund balance for the General Fund reached \$14,639,473. The Town Council of the Town of Knightdale has determined that the Town should maintain an available fund balance of 25% of General Fund expenditures and interfund transfers in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 32.33% of General Fund expenditures plus transfers out less installment financing. This ratio is used by the Town Council for internal management purposes. Available Fund balance at year-end more than 40% of expenditures and interfund transfers will be transferred to the General Capital Project Capital Reserve Fund in the following fiscal year. No funds will be transferred in the fiscal year 2025.

At June 30, 2024, the governmental funds of the Town of Knightdale reported a combined fund balance of \$26,218,546 for a net decrease in fund balance of \$6,151,771 or (19%) over last year. The decrease in fund balance was in part due to expended debt proceeds. Approximately 27.60% of this total amount, or \$7,235,638 is non spendable or restricted. In addition to the General Fund, the Town also considers as a major fund the Fire Capital Project Fund, Forestville Road Fire Station Capital Project Fund, Mingo Creek Greenway Extension Capital Project Fund, Capital Reserve Capital Project Fund and Storm Water Special Revenue Fund which account for \$10,792,044 (41%) of the combined fund balance.

General Fund Budgetary Highlights-Fiscal Year 2024

During the fiscal year, the Town revised the budget on a few occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted revenue \$36,200 or 0.13%, for a total budgeted amount of \$26,903,814. This increase is mostly attributed to insurance settlements received. The actual revenue collected exceeded the amount budgeted by \$800,184, mostly due to unanticipated increases in property tax revenues. The expenditure budget increased by \$1,465,822, due to capital outlay carried over from the previous fiscal year, from the original adopted budget for a total amended budget of \$30,457,984. Actual expenditures were \$3,732,956, or 12.26%, below the amended budget amount.

General Capital Projects – Capital Reserve Fund- Fiscal Year 2024

As of June 30, 2024, the General Capital Projects – Capital Reserve Fund had a fund balance of \$3,943,589, an increase of \$1,040,786 from the previous fiscal year. Of this amount \$1,065,665 is restricted for street improvement projects. The remaining balance is assigned or designated for future capital projects. The General Fund transferred \$667,000, representing the Town policy of transferring \$0.025 of the current tax levy to the General Capital Projects - Capital Reserve Fund during fiscal year 2024. During fiscal year 2024, \$491,825 was transferred to Law Enforcement Center Capital Project Fund for design cost.

Fire Capital Project Fund

As of June 30, 2024, the Fire Capital Project Fund had a fund balance of \$579,630, a decrease of \$3,998,527 from the previous fiscal year. The decrease in fund balance is due to construction costs to complete the Hodge Road Fire Station construction.

Forestville Road Fire Station Capital Project Fund

As of June 30, 2024, the Forestville Road Fire Station Capital Project Fund had a fund balance of \$2,138,665, a decrease of \$4,360,953 from the previous fiscal year. The decrease in fund balance is due to the construction costs of the fire station.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town of Knightdale's capital assets for its governmental activities on June 30, 2024 totals \$141,043,668 net of accumulated depreciation and including construction in progress. These assets include land, buildings, machinery, equipment, roads and infrastructure, vehicles, and park facilities. Major capital asset highlights during the year include the following.

- Construction in Progress increased by \$4,972,370 during the year mainly due to Forestville Road Fire Station Construction.
- Buildings increased by \$5,840,419 during the year mainly due to the completion of Fire Station #1.

<p align="center">Figure 7 CAPITAL ASSETS (net of depreciation/amortization) Governmental Activities</p>			
	2024		2023
Land and improvements	\$ 26,455,925	\$	26,079,706
Construction in progress	10,732,851		5,760,481
Streets and infrastructure	69,129,845		69,107,724
Buildings	9,835,030		4,347,030
Other improvements	17,747,234		18,426,311
Intangibles	725,647		655,240
Equipment	568,311		621,832
Vehicles and motorized equipment	4,425,795		2,571,562
Leased Building	-		19,897
Leased Equipment	286,859		382,479
IT subscriptions	1,136,171		965,532
Total	<u>\$ 141,043,668</u>	\$	<u>128,937,794</u>

Additional information on the Town's capital assets can be found in Note 2.A.3 of the Basic Financial Statements.

Long-Term Debt

As of June 30, 2024, the Town of Knightdale had total bonded debt outstanding of \$1,000,000. This outstanding debt is backed by the full faith and credit of the Town. The Town of Knightdale had installment purchase agreements outstanding of \$16,047,697. Collateral for these installment purchase agreements are the assets purchased or constructed. The Town of Knightdale's total debt decreased by \$1,859,660 or 9.84% during the past fiscal year.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Knightdale is \$202,200,427, which is well above the Town's current total debt outstanding.

Additional information regarding the Town of Knightdale's long-term debt can be found in Note 2.B.5 of this report.

Figure 8			
LONG-TERM DEBT			
		Governmental Activities	
		2024	2023
General obligation bonds	\$	1,000,000	\$ 1,200,000
Installment purchase agreements		16,047,697	17,707,357
Total outstanding debt	\$	17,047,697	\$ 18,907,357

NEXT YEAR’S BUDGET HIGHLIGHTS & ECONOMIC FACTORS

The total fiscal year 2025 operating budget for the Town of Knightdale is \$41,106,119. Of this amount, the general fund budget is \$36,634,021. This is a \$6,974,859 or 23.5%, increase from the adopted general fund budget from the prior year. Budget highlights include:

- Includes a transferout from Capital Reserve Fund of \$2,113,373 to pay for capital outlay items.
- Addition of 10 new full-time positions mostly in the police department
- A merit pay adjustment of up to 4% along with a cost-of-living adjustment of 3% for Town employees were included in fiscal year 2024.
- Major capital outlay projects funded through the general fund include \$700,000 for an addition to Public Work Facility, \$750,000 for playground equipment at Knightdale Station Park, \$800,000 for land purchase toward future fire station. Total general fund capital funding is \$3,709,950.

REQUESTS FOR INFORMATION

This report is designated to provide an overview of the Town’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Town of Knightdale, 950 Steeple Square Court, Knightdale, NC 27545.



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Basic Financial Statements



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TOWN OF KNIGHTDALE, NORTH CAROLINA
STATEMENT OF NET POSITION

June 30, 2024

EXHIBIT 1

Page 1 of 2

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 19,589,559
Restricted cash	3,804,629
Receivables:	
Taxes	125,685
Accounts	188,631
Due from other governments	4,313,373
Prepaid expenses	18,814
Total current assets	<u>28,040,691</u>
 Non-current assets	
Capital assets	
Intangible right to use assets, net of amortization	1,423,030
Capital assets, non-depreciable	37,188,776
Capital assets, net of depreciation	102,431,862
Total non-current assets	<u>141,043,668</u>
Total assets	<u>169,084,359</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	5,591,362
OPEB deferrals	2,088,945
Total deferred outflows of resources	<u>7,680,307</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
STATEMENT OF NET POSITION

June 30, 2024

EXHIBIT 1

Page 2 of 2

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	\$ 1,597,581
Accrued interest	105,366
Current portion of long-term liabilities	<u>3,338,925</u>
Total current liabilities	5,041,872
Long term liabilities:	
Due in more than one year	<u>34,232,034</u>
Total liabilities	<u>39,273,906</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	4,987
Pension deferrals	626,915
OPEB deferrals	<u>3,593,871</u>
Total deferred inflows of resources	<u>4,225,773</u>
NET POSITION	
Net investment in capital assets	122,241,916
Restricted for Stabilization by State Statute	3,673,688
Restricted for Powell Bill	1,488,678
Restricted for public safety	4,505
Restricted for loan covenant	63,629
Restricted for streets	1,065,665
Restricted for Storm Water	920,659
Unrestricted	<u>3,806,247</u>
Total net position	<u><u>\$ 133,264,987</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

EXHIBIT 2

		Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses				Governmental Activities
Governmental activities					
General government	\$ 3,881,523	\$ 668,835	\$ -	\$ -	\$ (3,212,688)
Public safety	13,328,384	4,131	2,999,273	-	(10,324,980)
Transportation	6,029,958	-	65,532	6,810,905	846,479
Environmental protection	2,308,029	2,796,738	16,002	-	504,711
Economic and physical development	1,696,032	35,657	51,613	99,600	(1,509,162)
Cultural and recreational	2,577,647	260,036	3,875	-	(2,313,736)
Interest on long-term debt	463,116	-	-	-	(463,116)
Total governmental activities	<u>30,284,689</u>	<u>3,765,397</u>	<u>3,136,295</u>	<u>6,910,505</u>	<u>(16,472,492)</u>
General revenues					
Taxes:					
Property taxes, levied for general purposes					12,429,757
Local option sales tax					6,557,424
Other taxes					1,747,006
Intergovernmental revenues, unrestricted					273,190
Unrestricted investment earnings					1,152,753
Miscellaneous					346,157
Total general revenues					<u>22,506,287</u>
Change in Net Position					6,033,795
Net Position-beginning					<u>127,231,192</u>
Net Position-ending					<u>\$ 133,264,987</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

EXHIBIT 3

Page 1 of 2

ASSETS

	Major						Nonmajor	Total
	General	Storm Water Special Revenue Fund	Capital Reserve Capital Project Fund	Mingo Creek Greenway Extension Capital Project Fund	Fire Capital Project Fund	Forestville Rd. Fire Station Capital Project Fund	Law Enforcement Capital Project Fund	Governmental Funds
Cash and cash equivalents	\$ 11,404,436	\$ 1,981,766	\$ 2,877,924	\$ 181,271	\$ -	\$ 2,357,133	\$ 787,029	\$ 19,589,559
Restricted cash	1,556,812	938,658	1,065,665	-	243,494	-	-	3,804,629
Receivables:								
Taxes	125,685	-	-	-	-	-	-	125,685
Accounts	159,934	28,697	-	-	-	-	-	188,631
Due from other governments	2,603,935	211,263	-	1,129,046	340,148	28,981	-	4,313,373
Prepaid expenditures	18,814	-	-	-	-	-	-	18,814
TOTAL ASSETS	<u>\$ 15,869,616</u>	<u>\$ 3,160,384</u>	<u>\$ 3,943,589</u>	<u>\$ 1,310,317</u>	<u>\$ 583,642</u>	<u>\$ 2,386,114</u>	<u>\$ 787,029</u>	<u>\$ 28,040,691</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 813,307	\$ 16,097	\$ -	\$ 285,525	\$ 4,012	\$ 247,449	\$ -	\$ 1,366,390
Accrued salaries	220,969	10,222	-	-	-	-	-	231,191
TOTAL LIABILITIES	<u>1,034,276</u>	<u>26,319</u>	<u>-</u>	<u>285,525</u>	<u>4,012</u>	<u>247,449</u>	<u>-</u>	<u>1,597,581</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes receivable	125,685	-	-	-	-	-	-	125,685
Prepaid taxes and licenses	4,987	-	-	-	-	-	-	4,987
Accounts receivable	65,195	28,697	-	-	-	-	-	93,892
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>195,867</u>	<u>28,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,564</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT 3

Page 2 of 2

Nonspendable

Nonspendable

Prepaid expenditures

Restricted

Stabilization by State Statute

Streets - Powell Bill funds

Public safety

Streets - payment in lieu of street improvements

Storm Water

Debt service

Assigned

Subsequent year's expenditures

Storm Water

Capital Projects Fund

Unassigned

TOTAL FUND BALANCES

TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES

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TOWN OF KNIGHTDALE, NORTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS

June 30, 2024

EXHIBIT 3

Fund balances-total governmental funds	\$ 26,218,546
--	---------------

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

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
the governmental funds.

Governmental capital assets	\$ 184,982,432	
Less accumulated depreciation	<u>(45,361,794)</u>	139,620,638

Intangible right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,423,030
---	-----------

Deferred outflows of resources related to pensions are not reported in the funds	5,591,362
Deferred outflows of resources related to OPEB are not reported in the funds	2,088,945

Long-term liabilities, including bonds payable are not due
and payable in the current period and therefore are
not reported in the governmental funds.

Government bonds and notes payable	(17,047,697)	
Lease liability	(304,819)	
Subscription liabilities	(1,155,745)	
Compensated absences	(959,102)	
Net pension liability (LGERS)	(8,245,147)	
Total pension liability (LEO)	(1,509,414)	
Total OPEB liability	<u>(8,349,035)</u>	(37,570,959)

Earned revenues considered deferred inflows of resources in fund statements	219,577
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Other liabilities are not due and payable in the current period
and therefore are not reported in the governmental funds.

Accrued interest payable	(105,366)
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Deferred inflows of resources related to pensions are not reported in the funds	(626,915)
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Deferred inflows of resources related to OPEB are not reported in the funds	<u>(3,593,871)</u>
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Net position of governmental activities	<u><u>\$ 133,264,987</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

For The Year Ended June 30, 2024

EXHIBIT 4

Page 1 of 2

	Major						Total	Total
	General	Storm Water	Capital Reserve	Mingo Creek	Fire	Forestville Rd.	Nonmajor	Total
	Fund	Special Revenue	Capital Project	Greenway Extension	Capital Project	Fire Station	Governmental	Governmental
	Fund	Fund	Fund	Capital Project	Capital Project	Capital Project	Funds	Funds
	Fund	Fund	Fund	Fund	Fund	Fund		
REVENUES								
Ad valorem taxes	\$ 12,412,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,412,541
Other taxes and licenses	389,023	-	157,297	-	-	-	-	546,320
Unrestricted intergovernmental	7,848,629	-	-	-	-	-	183,100	8,031,729
Restricted intergovernmental	3,838,903	-	-	2,522,242	-	-	-	6,361,145
Permits and fees	708,623	1,551,122	565,796	-	-	-	-	2,825,541
Sales and services	1,489,324	-	-	-	-	-	-	1,489,324
Investment earnings	595,825	111,697	142,518	29,096	83,709	163,391	26,517	1,152,753
Miscellaneous	421,130	-	-	-	-	-	-	421,130
TOTAL REVENUES	27,703,998	1,662,819	865,611	2,551,338	83,709	163,391	209,617	33,240,483
EXPENDITURES								
Current								
General government	3,353,291	-	-	-	-	-	-	3,353,291
Public safety	11,255,361	-	-	-	107,621	-	-	11,362,982
Transportation	2,434,779	-	-	-	-	-	-	2,434,779
Environmental protection	1,312,783	808,634	-	-	-	-	-	2,121,417
Economic and physical development	1,478,171	-	-	-	-	-	-	1,478,171
Cultural and recreational	1,519,741	-	-	-	-	-	-	1,519,741
Capital outlay	2,487,662	390,139	-	3,152,802	3,974,615	4,524,344	364,330	14,893,892
Debt service								
Bond and note principal	2,411,746	40,096	-	-	-	-	-	2,451,842
Bond and note interest and fees	471,494	2,170	-	-	-	-	-	473,664
TOTAL EXPENDITURES	26,725,028	1,241,039	-	3,152,802	4,082,236	4,524,344	364,330	40,089,779
REVENUES OVER (UNDER) EXPENDITURES	978,970	421,780	865,611	(601,464)	(3,998,527)	(4,360,953)	(154,713)	(6,849,296)

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

For The Year Ended June 30, 2024

EXHIBIT 4

Page 2 of 2 (continued)

	Major							
	General Fund	Storm Water Special Revenue Fund	Capital Reserve Capital Project Fund	Mingo Creek Greenway Extension Capital Project Fund	Fire Capital Project Fund	Forestville Rd. Fire Station Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)								
Subscription liabilities issued	\$ 432,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,391
Transfers from other funds	50,440	-	667,000	-	-	-	491,825	1,209,265
Transfers to other funds	(667,000)	-	(491,825)	-	-	-	(50,440)	(1,209,265)
Sale of capital assets	41,286	-	-	-	-	-	-	41,286
Installment purchase obligations issued	223,848	-	-	-	-	-	-	223,848
TOTAL OTHER FINANCING SOURCES (USES)	80,965	-	175,175	-	-	-	441,385	697,525
NET CHANGE IN FUND BALANCE	1,059,935	421,780	1,040,786	(601,464)	(3,998,527)	(4,360,953)	286,672	(6,151,771)
FUND BALANCE - Beginning of Year, as previously presented	13,579,538	-	-	-	4,578,157	6,499,618	7,713,004	32,370,317
Change within financial reporting entity (nonmajor to major fund)	-	2,683,588	2,902,803	1,626,256	-	-	(7,212,647)	-
FUND BALANCE - Beginning of Year, as restated	13,579,538	2,683,588	2,902,803	1,626,256	4,578,157	6,499,618	500,357	32,370,317
FUND BALANCE - End of Year	\$ 14,639,473	\$ 3,105,368	\$ 3,943,589	\$ 1,024,792	\$ 579,630	\$ 2,138,665	\$ 787,029	\$ 26,218,546

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

EXHIBIT 4
Page 1 of 2

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

Net change in fund balances - total governmental funds \$ (6,151,771)

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures for capital assets	\$ 14,461,501	
Less current year depreciation	<u>(5,414,349)</u>	9,047,152

Right to use subscription asset capital outlay expenditures	432,391	
Less current year amortization	<u>(377,269)</u>	55,122

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds

Developer's contributed capital - infrastructure streets, sidewalks and park space	3,119,859	
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The net effect of various miscellaneous transactions involving capital assets (i.e.-sales, trade-ins, and transfers) is to decrease net position	(116,259)	
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,379,788	
--	-----------	--

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	18,236	
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities	82,462	
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Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds

Change in unavailable revenue	\$ 33,115	(continued)
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The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

EXHIBIT 4

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Installment note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and installment note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.

Installment note proceeds	(223,848)	
Principal payments	2,083,507	
Subscription liabilities issued	(432,391)	
Lease and subscription liabilities retired	368,335	
Decrease in accrued interest payable	<u>10,548</u>	1,806,151

Some expenses recorded in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Change in compensated absences	(169,769)	
Pension expense	(2,614,618)	
OPEB plan expense	<u>(455,673)</u>	(3,240,060)

Change in net position of governmental activities	<u><u>\$ 6,033,795</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, 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

Page 1 of 2

	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 11,939,300	\$ 11,967,000	\$ 12,412,541	\$ 445,541
Other taxes and licenses	370,500	370,500	389,023	18,523
Unrestricted intergovernmental revenues	7,941,000	7,941,000	7,848,629	(92,371)
Restricted intergovernmental revenues	4,083,314	4,074,314	3,838,903	(235,411)
Permits and fees	490,000	480,000	708,623	228,623
Sales and services	1,455,350	1,455,350	1,489,324	33,974
Investment earnings	416,500	416,500	595,825	179,325
Miscellaneous	171,650	199,150	421,130	221,980
TOTAL REVENUES	26,867,614	26,903,814	27,703,998	800,184
EXPENDITURES				
General government	3,828,183	3,997,645	3,491,090	506,555
Public safety	13,085,667	13,535,435	12,436,663	1,098,772
Transportation	3,110,094	3,635,667	2,646,044	989,623
Environmental protection	1,335,150	1,335,150	1,312,783	22,367
Economic and physical development	2,084,998	2,760,482	2,072,656	687,826
Cultural & recreation	2,687,004	2,304,839	1,882,552	422,287
Debt service				
Bond and note principal	2,415,838	2,415,838	2,411,746	4,092
Bond and note interest	445,228	472,928	471,494	1,434
TOTAL EXPENDITURES	28,992,162	30,457,984	26,725,028	3,732,956
Revenues over (under) expenditures	(2,124,548)	(3,554,170)	978,970	4,533,140

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, 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

Page 2 of 2

	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	\$ 2,113,373	\$ 2,113,373	\$ 50,440	\$ (2,062,933)
Transfers to other funds	(667,000)	(667,000)	(667,000)	-
Sale of capital assets	81,100	81,100	41,286	(39,814)
Subscription proceeds	-	396,000	432,391	36,391
Issuance of debt	230,000	230,000	223,848	(6,152)
Appropriated fund balance	367,075	1,400,697	-	(1,400,697)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,124,548</u>	<u>3,554,170</u>	<u>80,965</u>	<u>(3,473,205)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,059,935</u>	<u>\$ 1,059,935</u>
FUND BALANCE - beginning of year			<u>13,579,538</u>	
FUND BALANCE - end of year			<u>\$ 14,639,473</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Knightdale 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 Town of Knightdale (the Town) is a municipal corporation that is governed by an elected mayor and a five member Town Council. The Town's financial statements include all funds, agencies, boards, commissions and authorities for which the Town is financially accountable. There are no component units, which are required to be included in these financial statements.

B. BASIS OF PRESENTATION

Government-wide Statements: The statement of net position and the statement of activities display information on all of the financial activities of the Town. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods and 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 Town's funds. Separate statements for each governmental fund are presented. The Town has no proprietary or fiduciary funds to report. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, Federal and State grants, state-shared revenues and various other taxes and licenses. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general governmental services.

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

Storm Water Special Revenue Fund - This fund is used to account for storm water fees collected by the Town from residents and commercial businesses. Storm water fees will be used to map and maintain the storm drainage system and to provide street sweeping services to decrease or prevent pollution from storm water runoff into local streams and rivers.

General Capital Project - Capital Reserve Fund – The General Capital Reserve Fund is used to account for financial resources to be held for capital projects prior to construction. The budgetary comparison for the General Capital Project - Capital Reserve Fund has been included in the supplemental information.

Mingo Creek Greenway Extension Capital Project Fund - This fund is used to account for financial resources to be used for acquisition or construction related to greenways.

Fire Capital Project Fund – This fund is used to account for financial resources to be used for acquisition or construction related to fire protection.

Forestville Road Fire Station Capital Project Fund – This fund is used to account for financial resources for the construction of a new fire station.

The Town reports the following non-major governmental funds:

ARP CSLFRF Fund – This fund is a Special Revenue Fund used to account for American Rescue Plan Coronavirus State and Local Fiscal Recovery funds (ARP Funds) received by the Town and transfers made to other funds for eligible expenditures.

Law Enforcement Capital Project Fund – This fund is used to account for the financial resources to be used for the acquisition and construction relate to extra space for the police facilities.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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 leases and IT subscriptions are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Knightdale because the tax is levied by Wake 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. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the Town 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 Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. BUDGETARY DATA

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, Capital Reserve and Special Revenue Funds. All annual appropriations lapse at fiscal year-end. A project ordinance is adopted for the Capital Projects

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

Funds and the ARP CSLFRF Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. Interfund or interdepartmental transfer of moneys may be made only with specific advanced approval of the Town Council. Supplemental appropriations that amend the total expenditures of any fund require a resolution of the Town Council. The Budget Officer is authorized to reallocate any appropriations within departments. Budgets are reported as originally adopted or as amended by executive action or Council resolution. During the year several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. DEPOSITS AND INVESTMENTS

All deposits of the Town are made in Council designated official depositories and are secured as required by State law (G.S. 159-31). The Town may designate as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. The Town may also establish time deposit accounts such as NOW and Super NOW accounts, money market accounts and certificates of deposit. The Town has no policy regarding custodial credit risk for deposits.

State law [G.S. 159-30 (c)] authorizes the Town 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 Town's investments are reported at fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government and has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. CASH AND CASH EQUIVALENTS

The Town 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 CASH

The Town has restricted cash in an amount sufficient to comply with a loan covenant. Powell bills funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Restricted cash also includes unearned grant revenues and Federal equitable sharing funds and firemen's relief funds restricted to law enforcement and public safety expenditures. The General Capital Project - Capital Reserve Fund includes payments in lieu of street

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

improvements received from developers which are restricted for the paving of certain streets. Storm water surety fees received from developers are restricted to the repairs and maintenance of storm water drainage improvements installed by the various developers.

Town of Knightdale Restricted Cash

Governmental Activities

General Fund

Streets – Powell Bill Funds

\$ 1,488,678

Public Safety

4,505

Loan Covenant – KS Bank

63,629

\$ 1,556,812

General Capital Reserve Fund

Payments in Lieu of Street Improvements

1,065,665

Fire Capital Project Fund

Unspent debt proceeds

243,494

Storm Water Special Revenue Fund

Surety Fees

5,281

Sinking Fund

933,377

\$ 938,658

Total Restricted Cash

\$ 3,804,629

4. AD VALOREM TAXES RECEIVABLE

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

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS

No allowance for doubtful accounts is maintained because historically the uncollectible amounts have been insignificant. The direct write-off method is used by the Town on all receivables. Under this method, all accounts considered uncollectible at June 30, 2024, including inactive accounts for garbage collection services and storm water fees have been charged against operations.

6. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as items are used. The Town utilizes the purchase method of accounting for prepaid expenses where purchases are recorded as expenditures when acquired.

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

7. CAPITAL ASSETS

Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2002, consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

<u>Item</u>	<u>Life</u>
Infrastructure	30 years
Equipment and Vehicles	5 years
Buildings and Improvements	25 years
Intangible Assets	5 years

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

8. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, pension 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 assets that applies to future periods and so will not be recognized as revenue until then. The Town has three items that meet the criterion for this category – 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In 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 Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned.

The Town also allows employees to accrue compensatory time for hours worked in excess of a regular workweek. Non-exempt employees may accumulate this time and then use it at a later date in lieu of using vacation time or they will be paid for these hours when leaving the Town's employment. Exempt employees may accumulate compensatory time up to a maximum of 40 hours and use this in lieu of vacation. Exempt employees lose any time accumulated over 40 hours and are not paid for accumulated compensatory time upon leaving service.

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

For the Town'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 Town 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 Town'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 Town 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

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepaid expenditures - portions of fund balance segregated for prepaid expenditures, which are not available spendable resources.

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

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

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

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Restricted for Public Safety – portion of fund balance that is restricted by revenue source, which represents funds accumulated for drug enforcement activities.

Restricted for Streets – Payments in Lieu of Street Improvements – portion of fund balance that is restricted by grantor for the construction of various street improvement projects.

Restricted for Storm Water – portion of fund balance, which represents fees received from developers, residents and homeowner associations that are restricted to the repairs and maintenance of storm water drainage improvements within the Town.

Restricted for Debt Service – portion of fund balance required to be reserved by loan covenants. This represents one year's debt service payments on the Public Safety Building loan.

Assigned fund balance – This classification includes amounts of fund balance that reflect a government's intended use of resources for specific purposes. Assignments are created, amended, or eliminated by the Town Council through budget ordinances or amendments to previously approved budget ordinances.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations within departments or to transfer appropriations between departments not to exceed 10% of a department's budget.

Assigned for Storm Water – portion of fund balance that has been budgeted by the Town Council for storm water repairs and maintenance.

Assigned for Capital Projects Fund – portion of fund balance that has been budgeted by the Town Council for construction of various capital projects.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance.

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

The Town of Knightdale has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures and transfers to other

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funds less debt proceeds. Any portion of the available general fund balance in excess of 40% of budgeted expenditures and interfund transfers will be transferred to the General Capital Projects – Capital Reserve Fund to be appropriated for future capital needs of the Town.

12. DEFINED BENEFIT PENSION AND OPEB 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 Town's employer contributions are recognized when due and the Town 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.

NOTE 2 – DETAIL NOTES ON ALL FUNDS

A. ASSETS

1. DEPOSITS

All the Town's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the Town's 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 Town, these deposits are considered to be held by the Town's agent in the Town's 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 Town or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization. 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 Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of General Statute 159-31 when designating official depositories and verifying that deposits are properly secured.

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At June 30, 2024, the Town's deposits had a carrying value of \$7,272,906 and a bank balance of \$8,442,949. Of the bank balance, \$1,250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024, the Town's petty cash fund totaled \$1,150.

2. INVESTMENTS

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

Investments by Type	Valuation Measurement Method	Book Value at 6/30/24	Maturity	Rating
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	14,116,861	N/A	AAAm
Commercial Paper and Government backed securities	Fair Value Level 2	520,720	< 120 days	AAAm
Commercial Paper	Fair Value Level 2	<u>1,482,551</u>	7 months	AA+
Total investments		<u>16,120,132</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal investment policy limits the Town's investment portfolio to maturities of less than 15 months. Also, the Town'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 15 months.

Credit risk. The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town'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 Town's investment in the NC Capital Management Trust Government Portfolio (NCCMT), which consists of an SEC-registered mutual fund (the Government Portfolio), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains a credit rating of AAAm by Standard & Poor's and AAAmf by Moody's Investors Service as of June 30, 2024.

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Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has no formal policy on custodial credit risk, but management procedures are that the Town shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the Town's name.

Concentration of Credit Risk. The Town Council places no limit on the amount that the Town may invest in any one issuer. The Town has no policy regarding concentration of credit risk.

3. CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 26,079,706	\$ 376,219	\$ -	\$ 26,455,925
Construction in progress	5,760,481	12,934,087	7,961,717	10,732,851
Total capital assets not being depreciated	<u>31,840,187</u>	<u>13,310,306</u>	<u>7,961,717</u>	<u>37,188,776</u>
Capital assets being depreciated:				
Buildings	8,415,372	5,840,419	-	14,255,791
Other improvements	24,356,144	279,227	-	24,635,371
Roads and infrastructure	93,715,705	3,187,506	-	96,903,211
Intangibles	905,642	127,188	-	1,032,830
Equipment	2,142,962	165,592	-	2,308,554
Vehicles and motorized equipment	6,265,071	2,516,581	123,752	8,657,900
	<u>135,800,896</u>	<u>12,116,513</u>	<u>123,752</u>	<u>147,793,657</u>
Less accumulated depreciation for:				
Buildings	4,068,342	352,419	-	4,420,761
Other improvements	\$ 5,929,833	\$ 958,304	\$ -	\$ 6,888,137
Roads and infrastructure	24,607,981	3,165,385	-	27,773,366
Intangibles	250,402	56,781	-	307,183
Equipment	1,521,130	219,113	-	1,740,243
Vehicles and motorized equipment	3,693,509	662,348	123,752	4,232,105
Total accumulated depreciation	<u>40,071,197</u>	<u>5,414,350</u>	<u>123,752</u>	<u>45,361,795</u>
Total capital assets being depreciated, net	<u>95,729,699</u>	<u>6,702,163</u>	<u>-</u>	<u>102,431,862</u>

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Capital assets being amortized:				
Right to use assets:				
Leased building	72,957	-	-	72,957
Leased equipment	478,099	-	-	478,099
IT subscriptions	1,151,718	432,391	-	1,584,109
Total capital assets being amortized	<u>1,702,774</u>	<u>432,391</u>	<u>-</u>	<u>2,135,165</u>
Less accumulated amortization for:				
Right to use assets:				
Leased building	53,060	19,897	-	72,957
Leased equipment	95,620	95,620	-	191,240
IT subscriptions	186,186	261,752	-	447,938
Total accumulated amortization	<u>334,866</u>	<u>377,269</u>	<u>-</u>	<u>712,135</u>
Total capital assets amortized, net	<u>1,367,908</u>	<u>55,122</u>	<u>-</u>	<u>1,423,030</u>
Governmental activity capital assets, net	<u>\$ 128,937,794</u>	<u>\$ 20,067,591</u>	<u>\$ 7,961,717</u>	<u>\$ 141,043,668</u>

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

General government	\$ 369,000
Public safety	769,209
Transportation	3,473,528
Environmental protection	122,865
Economic development	83,820
Cultural and recreational	973,197
Total depreciation and amortization expense	<u>\$ 5,791,619</u>

The Town has active construction projects as of June 30, 2024. At year-end, the Town's commitment with contractors is as follows:

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Project	Spent-to-Date	Remaining Commitment	Total Contract
Mingo Creek Greenway Extension	\$ 3,284,448	\$ 839,445	\$ 4,123,893
Hodge Road Fire Station	5,744,446	36,453	5,780,899
Forestville Road Fire Station	4,889,108	1,930,441	6,819,549
Law Enforcement Center	255,950	788,350	1,044,300
FY24 Street Resurfacing	-	719,381	719,381
Public Works Shop Shelter at KSP	-	125,000	125,000
Park Avenue Drainage Improvements	58,994	2,006	61,000
Poplar Street Drainage Improvements	57,117	4,733	61,850
Forest Drive Drainage Improvements	23,637	8,988	32,625
Breckenridge Drive Drainage Improvements	61,570	27,290	88,860
Knightdale Boulevard/Old Knight Road Pedestrian Improvements	133,739	211,299	345,038
Total	\$ 14,509,009	\$ 4,693,386	\$ 19,202,395

B. LIABILITIES

1. PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Knightdale 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 consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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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 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Knightdale employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.88% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$1,379,788 for the year ended June 30, 2024.

Refunds of Contributions – Town 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.

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

At June 30, 2024, the Town reported a liability of \$8,245,147 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 asset 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 Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.12449%, which was an increase of 0.00172% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$2,485,903. At June 30, 2024, the Town 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	\$ 918,754	\$ 19,779
Changes of assumptions	350,371	-
Net difference between projected and actual earnings on pension plan investments	2,206,762	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	360,624	159,599
Town contributions subsequent to the measurement date	1,379,788	-
Total	\$ 5,216,299	\$ 179,378

\$1,379,788 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	1,400,168
2026	711,155
2027	1,452,496
2028	93,314

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015. 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 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	<u>100%</u>	

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

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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 Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the Town'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%)
Town's proportionate share of the net pension liability (asset)	\$ 14,284,394	\$ 8,245,147	\$ 3,273,074

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

b. Law Enforcement Officers Special Separation Allowance

Plan Description.

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

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

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>33</u>
Total	<u>35</u>

Summary of Significant Accounting Policies:

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

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

Actuarial Assumptions

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

Inflation	2.50 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 S&P Municipal Bond 20-year High Grade Rate Index.

Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements based on MP-2019.

Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The Town paid \$36,471 as benefits came due for the reporting period.

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

At June 30, 2024, the Town reported a total pension liability of \$1,509,414. 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 Town recognized pension expense of \$143,923.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,332	\$ 190,135
Changes of assumptions	264,495	257,402
Town benefit payments and plan administrative expense made subsequent to the measurement date	18,236	-
Total	<u>\$ 375,063</u>	<u>\$ 447,537</u>

\$18,236 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 12,666
2026	10,657
2027	3,967
2028	(62,096)
2029	(41,149)
Thereafter	(14,755)

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

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	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 1,665,908	\$ 1,509,414	\$ 1,367,925

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

Beginning balance	\$ 1,514,749
Service Cost	72,657
Interest on the total pension liability	64,500
Differences between expected and actual experience	(148,163)
Changes of assumptions or other inputs	42,142
Benefit payments	<u>(36,471)</u>
Ending balance of the total pension liability	<u><u>\$ 1,509,414</u></u>

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

The actuarial assumptions used 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.

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

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

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	LGERS	LEOSSA	TOTAL
Pension Expense	\$ 2,485,903	\$ 143,923	\$ 2,629,826
Pension Liability	8,245,147	1,509,414	9,754,561
Proportionate share of the net pension liability	.12449%	N/A	
Deferred Outflows of Resources			
Differences between expected and actual experience	918,754	92,332	1,011,086
Changes of assumptions	350,371	264,495	614,866
Net difference between projected and actual earnings on plan investments	2,206,762	-	2,206,762
Changes in proportion and differences between contributions and proportionate share of contributions	360,624	-	360,624
Benefit payments and administrative costs paid subsequent to the measurement date	1,379,788	18,236	1,398,024
Deferred Inflows of Resources			
Differences between expected and actual experience	19,779	190,135	209,914
Changes of assumptions	-	257,402	257,402
Changes in proportion and differences between contributions and proportionate share of contributions	159,599	-	159,599

c. **Supplemental Retirement Income Plan for Law Enforcement Officers**

Plan Description. The Town 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 Town. 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 Town 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. Contributions for the year ended June 30, 2024 were \$227,048, which consisted of \$149,188 from the Town and \$77,860 from law enforcement officers.

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

d. Supplemental Retirement Income Plan For Employees Other Than Law Enforcement Officers

Plan Description. All other permanent full-time employees of the Town (excluding law enforcement officers) also participate in the Supplemental Retirement Income Plan; a defined contribution pension plan as described above.

Funding Policy. The Town contributes each month an amount equal to five percent of each employee's (excluding law enforcement officers) salary, and all amounts contributed are vested immediately. Also, these employees may make voluntary contributions to the plan. Total contributions for the year ended June 30, 2023 were \$620,176, which consisted of \$373,978 from the Town and \$246,198 from employees.

e. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. Under the terms of a Town resolution April 20, 2005, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Town Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. Employees who have 10 or more years of continuous creditable service under the Local Government Retirement System and with the Town (25 years with the Town for employees hired April 20, 2005 or after) at the time of their retirement will receive full benefits. In addition, the Town will provide to employees hired prior to April 20, 2005, at age 65, 100% of Medicare supplemental insurance policy payment (\$50 per month for employees hired after April 20, 2005). Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates under the limits prescribed by the Consolidated Omnibus Budget Reconciliation Act. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Retired Employees' Years of Creditable Service	Hired Prior to April 20, 2005	Hired On or After April 20, 2005
Less than 10 years	Not eligible for coverage	Not eligible for coverage
11 – 14 years	100% coverage paid by Town	Not eligible for coverage
15 – 18 years	100% coverage paid by Town	25% coverage paid by Town
19 – 21 years	100% coverage paid by Town	50% coverage paid by Town
22 – 24 years	100% coverage paid by Town	75% coverage paid by Town
25 + years	100% coverage paid by Town	100% coverage paid by Town

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

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	10	6
Active plan members	103	34
Total	<u>113</u>	<u>40</u>

Total OPEB Liability

The Town's total OPEB liability of \$8,349,035 was measured as of June 30, 2023 and was determined by an actuarial valuation as June 30, 2023.

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

Inflation	2.5 percent
Salary increases	3.25 percent to 8.41 percent, average, including inflation
Discount rate	3.65 percent
Healthcare cost trend rates	Medical and Prescription – 7.0 percent decreasing to 4.5 percent by 2033

The discount rate is based on the yield of the Bond Buyer General Obligation 20 Year Municipal Bond Index as of the measurement date.

Changes in the Total OPEB Liability

Balance at July 1, 2022	<u>\$ 7,243,567</u>
Changes for the year	
Service cost	475,179
Interest	271,151
Differences between expected and actual experience	490,541
Changes in assumptions or other inputs	(12,143)
Benefit payments	<u>(119,260)</u>
Net changes	<u>1,105,468</u>
Balance at June 30, 2023	<u><u>\$ 8,349,035</u></u>

TOWN OF KNIGHTDALE, NORTH CAROLINA
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Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019.

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

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 10,428,693	\$ 8,349,035	\$ 6,791,575

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare cost Trend Rate (7.0% decreasing to 4.5%)	1% Increase
Total OPEB Liability	\$ 6,602,148	\$ 8,349,035	\$ 10,767,886

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized OPEB expense of \$487,873. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 450,228	\$ 1,017,791
Changes of assumptions	1,556,255	2,576,080
Town benefit payments and plan administrative expense made subsequent to the measurement date	82,462	-
Total	<u>\$ 2,088,945</u>	<u>\$ 3,593,871</u>

\$82,462 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (258,457)
2026	(258,457)
2027	(258,457)
2028	(196,042)
2029	(140,837)
Thereafter	(475,138)

Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one year-term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000.

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Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

The Town also provides group term life insurance to all full-time employees through a private insurance company. Premiums are paid by the Town for life insurance equal to 2 times the employee's annual salary, but the benefit may not exceed \$200,000. The Town has no liability beyond the payment of monthly premiums.

2. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2024 are composed of the following:

Contributions to pension plan in current fiscal year (LGERS)	\$ 1,379,788
Differences between expected and actual Experience (LGERS)	918,754
Changes of assumptions (LGERS)	350,371
Net difference between projected and actual earnings on plan investments (LGERS)	2,206,762
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	360,624
Changes of assumptions (LEO)	264,495
Benefit payments made and administrative expenses made subsequent to measurement date (LEO)	18,236
Differences between expected and actual experience (LEO)	92,332
Differences between expected and actual experience (OPEB)	450,228
Changes of assumptions (OPEB)	1,556,255
Benefit payments made subsequent to the measurement date (OPEB)	82,462
Total	\$ <u>7,680,307</u>

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

	Statement of Net Position	Balance Sheet
General Fund:		
Prepaid taxes not yet earned	\$ 4,987	\$ 4,987
Taxes receivable (Net)	-	125,685
Decal receivable	-	29,807
Sanitation receivables	-	35,388
Net difference between expected and actual experience (LGERS)	19,779	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	159,599	-
Differences between expected and actual experience (LEO)	190,135	-
Changes of assumptions (LEO)	257,402	-
Differences between expected and actual experience (OPEB)	1,017,791	-
Changes of assumptions (OPEB)	2,576,080	-
 Storm Water Fund		
Storm water fees receivable	-	28,697
Total	\$ <u>4,225,773</u>	\$ <u>224,564</u>

3. RISK MANAGEMENT

The Town 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 Town is a participant in one self-funded risk-financing insurance pool administered by the North Carolina League of Municipalities, which provides workers' compensation with coverage up to statutory limits. The pool is reinsured through commercial companies for claims up to the statutory limits for workers' compensation. 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

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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 Town upon request.

The Town purchases commercial insurance to provide the following types of major coverage: general liability (\$5,000,000), property (\$26,379,117), inland marine (\$1,688,223), auto liability (\$5,000,000), public officials' liability (\$5,000,000), employment practices liability (\$5,000,000), employee benefits liability (\$5,000,000), law enforcement liability (\$5,000,000). The coverage has deductibles up to \$10,000. The Town does not carry flood insurance because flood plain maps show insignificant property values within flood plains.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Director is bonded for \$1,000,000. The remaining employees that have access to funds are covered under a blanket employee dishonesty policy with a current limit of \$100,000.

There have been no significant reductions in insurance coverage in the prior year, and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

4. CLAIMS, JUDGEMENTS AND CONTINGENT LIABILITIES

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

5. LONG-TERM OBLIGATIONS

A. LEASES

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

The Town had one existing lease from the prior year for a modular building. The term of this lease was initially 36 months with monthly fixed payments of \$2,313 through March 2024. The lease does not contain a stated interest rate. Accordingly, the Town's estimated incremental borrowing rate of 3.6% was used to discount the remaining lease payments. The liability balance as of June 30, 2024 is \$-0-.

The Town entered into two lease agreements for equipment in the prior year. The first agreement was executed on July 1, 2022 to lease computer equipment and requires 60 monthly payments, \$7,108 average for the current fiscal year, with increases of 4% per year through the duration of the agreement. The lease does not contain a stated interest rate. Accordingly, the Town's incremental borrowing rate of 2.366% was used to discount the remaining lease payments. The liability balance as of June 30, 2024 is \$266,902.

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The second agreement was executed on July 1, 2022 to lease computer equipment and requires 60 monthly payments, \$1,010 average for the current fiscal year, with increases of 4% per year through the duration of the agreement. The lease does not contain a stated interest rate. Accordingly, the Town's incremental borrowing rate of 2.366% was used to discount the remaining lease payments. The liability balance as of June 30, 2024 is \$37,917.

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

Year ending June 30	Principal	Interest	Total
2025	\$ 95,129	\$ 6,165	\$ 101,294
2026	101,501	3,865	105,366
2027	108,189	1,392	109,581
Total	\$ <u>304,819</u>	\$ <u>11,422</u>	\$ <u>316,241</u>

B. GENERAL OBLIGATION INDEBTEDNESS

The Town's general obligation bonds serviced by the governmental funds were issued for the acquisition and construction of public improvements including parks and recreation facilities. All general obligation bonds are collateralized by the full faith, credit and taxing power of the Town. Principal and interest requirements are appropriated when due. Bonds payable at June 30, 2024 are composed of the following individual issues:

Serviced by the General Fund:

\$3,000,000, 2013 Parks and Recreation Facility Bonds due in annual installments of \$200,000 plus interest through 2029, interest is at 1.97%. \$ 1,000,000

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

Year ending June 30	Principal	Interest
2025	\$ 200,000	\$ 19,700
2026	200,000	15,760
2027	200,000	11,820
2028	200,000	7,880
2029	200,000	3,940
Total	\$ <u>1,000,000</u>	\$ <u>59,100</u>

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For the Fiscal Year Ended June 30, 2024

C. **INSTALLMENT NOTE INDEBTEDNESS**

The Town also has various installment notes for land, buildings, equipment and vehicles. Installment notes payable at June 30, 2024 are composed of the following individual notes:

	Serviced by the General Fund
\$2,115,099 installment debt to the KS Bank for the Public Safety Building issued 11-30-12; annual payments of \$168,341 which includes interest at 2.30%; secured by land and building	\$ 636,287
\$6,614,000 installment debt to JP Morgan Chase for construction of a new fire station issued 10-13-22; annual payments of \$441,000 plus interest at 2.82%; secured by land and building	6,173,000
\$5,217,000 installment debt to Webster Bank for municipal buildings and facilities issued 10-14-21; annual payments ranging from \$394,000 to \$797,000 plus interest at 1.125%; secured by real estate	3,400,000
\$2,184,000 installment debt to JP Morgan Chase for construction of a new fire station issued 5-11-23; annual payments \$146,000 plus interest of 3.23%; secured by real estate	2,038,000
\$1,516,000 installment debt to JP Morgan Chase for purchase of two fire trucks issued 5-11-23; annual payments of \$169,000 plus interest at 3.28%; secured by equipment	1,516,000
\$223,848 installment debt to PNC Bank for purchase of equipment issued 2-1-24; monthly payments of \$5,513 plus interest at 8.46%; secured by equipment	207,940
\$2,000,000 installment debt to BB&T for construction of Wake Stone Athletic Park issued 2-11-20; annual payments of \$226,045 which includes interest at 2.29%; secured by real property	1,253,875
\$247,789 installment debt to Southern Bank for public works trucks issued 10-4-19, annual payments of \$49,558 plus interest at 2.2%; secured by the vehicles	49,558
\$1,080,000 installment debt to Truist Bank for fire truck issued 1-29-21, annual payments of \$117,295 which includes interest at 1.53%; secured by fire truck	<u>773,037</u>
Total	\$ <u><u>16,047,697</u></u>

TOWN OF KNIGHTDALE, NORTH CAROLINA
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Annual debt service requirements to maturity for installment notes payable are as follows:

Year Ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 2,083,486	\$ 393,632
2026	2,036,109	347,022
2027	2,036,817	301,080
2028	2,015,878	254,853
2029	1,477,109	212,295
2030-2034	4,055,298	633,592
2035-2039	2,343,000	146,227
Total	\$ 16,047,697	\$ 2,288,701

D. SUBSCRIPTIONS

The Town has a total of ten Subscriptions in the Governmental Funds.

One such agreement is for the Town's financial accounting software. The initial term of the agreement was for nine years. The remaining term at June 30, 2024 is for twenty months. The Subscription does not have a stated interest rate. Accordingly, the Town's estimated incremental borrowing rate of 2.275% was used to discount the subscription payments. The liability balance at June 30, 2024 was \$22,759.

Another such agreement is for the Town's development services software. The initial term of the agreement was for one hundred and sixteen months. The remaining term at June 30, 2024 is for eighty four months. The Subscription does not have a stated interest rate. Accordingly, the Town's estimated incremental borrowing rate of 2.842% was used to discount the subscription payments. The liability balance at June 30, 2024 was \$209,218.

Another such agreement is for the Town's legislative services software. The initial term of the agreement was for one hundred and twenty six months. The remaining term at June 30, 2024 is for ninety seven months. The Subscription does not have a stated interest rate. Accordingly, the Town's estimated incremental borrowing rate of 2.927% was used to discount the subscription payments. The liability balance at June 30, 2024 was \$49,149.

Another such agreement is for the Town's data sharing software. The initial term of the agreement was for one hundred and forty four months. The remaining term at June 30, 2024 is for ninety eight months. The Subscription does not have a stated interest rate. Accordingly, the Town's

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estimated incremental borrowing rate of 2.991% was used to discount the subscription payments. The liability balance at June 30, 2024 was \$110,708.

Another such agreement is for the Town's office software. The term of the agreement was for five years. The remaining term at June 30, 2024 is for thirty six months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 2.366% was used to discount the subscription payments. The liability balance remaining at June 30, 2024 was \$348,254.

Another such agreement is for the Town's managed backup program. The term of the agreement was for five years. The remaining term at June 30, 2024 is for thirty six months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 2.366% was used to discount the subscription payments. The liability balance remaining at June 30, 2024 was \$31,611.

Another such agreement is for the Town's managed backup program. The term of the agreement was for three years. The remaining term at June 30, 2024 is for twenty three months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 2.275% was used to discount the subscription payments. The liability balance remaining at June 30, 2024 was \$28,018.

The Town entered into a Subscription agreement in the current fiscal year for the Town's human resources software. The term of the agreement was for three years. The remaining term at June 30, 2024 is for twenty four months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 2.863% was used to discount the subscription payments. The liability balance remaining at June 30, 2024 was \$25,142.

The Town entered into a Subscription agreement in the current fiscal year for the Town's citizen experience software. The term of the agreement was for three years. The remaining term at June 30, 2024 is for twenty five months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 2.732% was used to discount the subscription payments. The liability balance remaining at June 30, 2024 was \$30,618.

The Town entered into a Subscription agreement in the current fiscal year for the Town's police software. The term of the agreement was for nine years. The remaining term at June 30, 2024 is for ninety seven months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 2.702% was used to discount the subscription payments. The liability balance remaining at June 30, 2024 was \$300,268.

TOWN OF KNIGHTDALE, NORTH CAROLINA
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The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year ending June 30	Principal	Interest	Total
2025	\$ 254,214	\$ 29,157	\$ 283,371
2026	250,460	22,644	273,104
2027	216,660	16,155	232,815
2028	85,585	12,107	97,692
2029	89,466	9,678	99,144
2030-2033	259,360	13,350	272,710
Total	<u>\$ 1,155,745</u>	<u>\$ 103,091</u>	<u>\$ 1,258,836</u>

E. CHANGES IN LONG-TERM LIABILITIES

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 1,200,000	\$ -	\$ 200,000	\$ 1,000,000	\$ 200,000
Installment notes	17,707,357	223,848	1,883,508	16,047,697	2,083,486
Lease liabilities	414,389	-	109,570	304,819	95,129
IT Subscription liabilities	982,119	432,391	258,765	1,155,745	254,214
Compensated absences	789,333	872,032	702,263	959,102	587,894
Other postemployment benefits	7,243,567	1,105,468	-	8,349,035	82,462
Net pension liability (LGERS)	6,925,981	2,698,954	1,379,788	8,245,147	-
Total pension liability (LEO)	1,514,749	-	5,335	1,509,414	35,740
Governmental activity long-term liabilities	<u>\$ 36,777,495</u>	<u>\$ 5,332,693</u>	<u>\$ 4,539,229</u>	<u>\$ 37,570,959</u>	<u>\$ 3,338,925</u>

Compensated absences, other postemployment benefits, total pension liability and net pension liability for governmental activities typically have been liquidated in the General Fund.

At June 30, 2024, The Town of Knightdale a legal debt margin of \$202,200,427.

6. INTERFUND BALANCES AND ACTIVITY

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

TOWN OF KNIGHTDALE, NORTH CAROLINA
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During the fiscal year ended June 30, 2024, transfers to/from other funds consist of the following:

From Fund	To Fund	Amount	Purpose
General Fund	General Capital Project Reserve Fund	\$ 667,000	To fund future capital projects
General Capital Project Reserve Fund	Law Enforcement Capital Project	491,825	To fund capital projects
ARP CSLRF Fund	General Fund	50,440	To reimburse for capital outlay
	Total	<u>\$ 1,209,265</u>	

7. NET INVESTMENT IN CAPITAL ASSETS

	<u>Governmental</u>
Capital assets	\$ 187,117,598
Less accumulated depreciation and amortization	<u>(46,073,930)</u>
Net capital assets	141,043,668
Less long-term debt	(18,508,261)
Plus unspent debt issuance	243,494
Less accounts and retainage payable	<u>(536,985)</u>
Net investment in capital assets	<u>\$ 122,241,916</u>

8. FUND BALANCE

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

<i>Total fund balance-General Fund</i>	<i>\$14,639,473</i>
Less:	
Prepaid expenditures	18,814
Stabilization by State Statute	3,673,688
Streets-Powell Bill	1,488,678
Public Safety	4,505
Debt Service	63,629
Appropriated Fund Balance in 2025 budget	607,504
Working Capital / Fund Balance Policy	7,723,746
Remaining Fund Balance	<u>\$1,058,909</u>

TOWN OF KNIGHTDALE, NORTH CAROLINA
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The Town of Knightdale has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures plus transfers out less proceeds of long-term debt. Fund balance in excess of 40% of this same total is transferred to the General Capital Projects – General Capital Reserve Fund to be used for future capital projects.

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

<i>Encumbrances</i>			
	<i>General Fund</i>	<i>Storm Water Special Revenue Fund</i>	<i>Capital Project Funds</i>
\$7,597,869	\$975,014	\$64,978	\$6,557,877

NOTE 3 – JOINTLY GOVERNED ORGANIZATIONS

Triangle J Regional Council of Governments

The Town, in conjunction with five counties and fourteen other municipalities, established the Triangle J Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council’s governing board. The Town paid membership fees of \$8,066 to the Council during the fiscal year ended June 30, 2024.

NOTE 4 – JOINT VENTURES

East Wake Television (PEG Media Partners)

The Town, in conjunction with the Towns of Archer Lodge, Clayton, Garner, Rolesville, Wendell and Zebulon, operates two local public, educational and government (PEG) cable TV channels. East Wake TV is funded by state shared video programming franchise taxes collected by the State of North Carolina and remitted to the 7 participating Towns. These funds are restricted for the operation of local PEG channels. Prior to June 30, 2010, East Wake TV was recorded as a special revenue fund of the Town of Knightdale. As of July 1, 2010, East Wake TV was incorporated as a legally separate non-profit organization. The organization is governed by a Board of Directors consisting of the Town Managers of Archer Lodge, Clayton, Garner, Knightdale, Rolesville, Wendell and Zebulon. Each Town contributes its share of restricted PEG channel funds received from the State of North Carolina to East Wake TV. For the fiscal year ended June 30, 2024, each town, including Knightdale, contributed \$51,530 to East Wake TV. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

statements at June 30, 2024. East Wake TV operates from a studio built by the Town of Knightdale. East Wake Television operates under the name PEG Media Partners. Complete financial statements or a copy of Form 990 Return of Organization Exempt from Income Tax can be obtained from East Wake Television's office at 954 Steeple Square Court, Knightdale, NC 27545-7655.

Firemen's Relief Fund

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the state. The state passes these moneys to the local board of the Firemen's Relief Fund. The funds are used to assist fire fighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2024, the Town reported revenues of \$-0- and expenditures of \$-0- made through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2024. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

NOTE 5 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys for fiscal year 2024.

NOTE 6 – CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62, was implemented for the current year. The Town previously reported the Stormwater Special Revenue Fund, Capital Reserve Capital Project Fund and Mingo Creek Greenway Extension Capital Project Fund as non-major funds in the prior fiscal year. These funds are reported as major funds in the current fiscal year and the effects of the change within the Town's financial statements are shown below.

TOWN OF KNIGHTDALE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

	June 30, 2023 As Previously Reported	Change within the Financial Reporting Entity	June 30, 2023 Restated
Governmental Funds			
Major Funds:			
Storm Water Special Revenue Fund	\$ -	\$ 2,683,588	\$ 2,683,588
Capital Reserve Capital Project Fund	-	2,902,803	2,902,803
Mingo Creek Greenway Extension Capital Project Fund	-	1,626,256	1,626,256
Total Governmental Funds	<u>\$ -</u>	<u>\$ 7,212,647</u>	<u>\$ 7,212,647</u>



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Required Supplemental Information

TOWN OF KNIGHTDALE, NORTH CAROLINA
TOWN OF KNIGHTDALE'S 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
Knightdale's proportion of the net pension liability (asset) (%)	0.12449%	0.12277%	0.09643%	0.08467%	0.08491%	0.08237%	0.07350%	0.07726%	0.08078%	0.08259%
Knightdale's proportion of the net pension liability (asset) (\$)	\$ 8,245,147	\$ 6,925,981	\$ 1,478,847	\$ 3,025,620	\$ 2,318,826	\$ 1,954,098	\$ 1,122,876	\$ 1,639,716	\$ 362,536	\$ (487,072)
Knightdale's covered payroll	\$ 9,460,869	\$ 7,740,789	\$ 6,634,426	\$ 5,112,670	\$ 4,740,720	\$ 4,393,455	\$ 4,004,248	\$ 3,937,807	\$ 3,808,190	\$ 3,793,488
Knightdale's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.15%	89.47%	22.29%	59.18%	48.91%	44.48%	28.04%	41.64%	9.52%	-12.84%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.47%

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

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

**TOWN OF KNIGHTDALE, NORTH CAROLINA
TOWN OF KNIGHTDALE'S 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	\$ 1,379,788	\$ 1,169,705	\$ 894,243	\$ 689,099	\$ 472,925	\$ 382,818	\$ 342,915	\$ 292,647	\$ 281,986	\$ 274,191
Contributions in relation to the contractually required contributions	1,379,788	1,169,705	894,243	689,099	472,925	382,818	342,915	292,647	281,986	274,191
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Knightdale's covered payroll	\$ 10,464,996	\$ 9,460,869	\$ 7,740,789	\$ 6,634,426	\$ 5,112,670	\$ 4,740,720	\$ 4,393,455	\$ 4,004,248	\$ 3,937,807	\$ 3,808,190
Contributions as a percentage of covered payroll	13.18%	12.36%	11.55%	10.39%	9.25%	8.08%	7.81%	7.31%	7.16%	7.20%

TOWN OF KNIGHTDALE, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 1,514,749	\$ 1,607,804	\$ 1,680,872	\$ 1,159,280	\$ 1,093,461	\$ 1,121,847	\$ 1,124,497	\$ 1,124,178
Service cost	72,657	100,224	92,476	53,963	49,376	50,557	40,626	48,620
Interest on total pension liability	64,500	35,745	31,847	36,864	38,723	34,314	42,118	39,111
Differences between expected and actual experience	(148,163)	129,592	(86,663)	(30,815)	(2,220)	6,332	(87,389)	-
Changes of assumptions or other inputs	42,142	(320,316)	(49,185)	518,564	39,204	(47,659)	68,711	(30,134)
Benefit payments	(36,471)	(38,300)	(61,543)	(56,984)	(59,264)	(71,930)	(66,716)	(57,278)
Ending balance of the total pension liability	<u>\$ 1,509,414</u>	<u>\$ 1,514,749</u>	<u>\$ 1,607,804</u>	<u>\$ 1,680,872</u>	<u>\$ 1,159,280</u>	<u>\$ 1,093,461</u>	<u>\$ 1,121,847</u>	<u>\$ 1,124,497</u>

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

Note that this schedule will not present 10 years' worth of information until fiscal year 2026.

**TOWN OF KNIGHTDALE, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY
AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 1,509,414	\$ 1,514,749	\$ 1,607,804	\$ 1,680,872	\$ 1,159,280	\$ 1,093,461	\$ 1,121,847	\$1,124,497
Covered-employee payroll	2,378,895	2,256,530	1,963,051	1,958,954	1,925,565	1,774,369	1,576,784	1,759,651
Total pension liability as a percentage of covered-employee payroll	63.45%	67.13%	81.90%	85.80%	60.20%	61.63%	71.15%	63.90%

Notes to the schedules

1. The Town of Knightdale has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.
2. Note that this schedule will not present 10 years' worth of information until fiscal year 2026.

TOWN OF KNIGHTDALE, NORTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS

Total OPEB Liability	2024	2023	2022	2021	2020	2019
Service Cost	\$ 475,179	\$ 722,363	\$ 567,086	\$ 359,717	\$ 378,836	\$ 405,405
Interest	271,151	209,218	216,077	239,364	250,811	227,047
Differences between expected and actual experience	490,541	843	(1,211,078)	5,422	(367,091)	12,882
Changes of assumptions	(12,143)	(2,596,011)	301,670	2,256,033	(109,913)	(467,814)
Benefit payments	(119,260)	(112,445)	(127,900)	(130,964)	(111,058)	(104,390)
Net change in total OPEB liability	1,105,468	(1,776,032)	(254,145)	2,729,572	41,585	73,130
Total OPEB liability - beginning	7,243,567	9,019,599	9,273,744	6,544,172	6,502,587	6,429,457
Total OPEB liability - ending	\$ 8,349,035	\$ 7,243,567	\$ 9,019,599	\$ 9,273,744	\$ 6,544,172	\$ 6,502,587
 Covered-employee payroll	 9,799,545	 7,149,545	 7,149,545	 4,671,267	 4,671,267	 3,959,139
Total OPEB liability as a percentage of covered-employee payroll	85.20%	101.32%	126.16%	198.53%	140.09%	164.24%

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:

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

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

This schedule will show ten years of information beginning with fiscal year 2027.



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Individual Fund Statements and Schedules

This section contains additional information on the Governmental and Proprietary Funds (budget to actual comparison) and other schedules (ad valorem taxes receivable and current tax levy).



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TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024
With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
REVENUES				
Ad valorem taxes				
Current year	\$ 11,913,800	\$ 12,364,585	\$ 450,785	\$ 11,592,269
Prior years	37,700	12,764	(24,936)	(21,379)
Penalties and interest	15,500	35,192	19,692	21,448
Total	11,967,000	12,412,541	445,541	11,592,338
Other taxes and licenses				
Motor vehicle licenses	300,000	308,869	8,869	305,629
Gross receipts on rental vehicles	70,000	79,341	9,341	76,528
Privilege licenses	500	813	313	858
Total	370,500	389,023	18,523	383,015
Unrestricted intergovernmental revenues				
Local option sales tax	6,764,000	6,557,424	(206,576)	6,252,534
Utility franchise tax	979,000	1,101,984	122,984	984,997
Wine and beer tax	91,000	99,131	8,131	89,169
ABC profits	107,000	90,090	(16,910)	105,616
Total	7,941,000	7,848,629	(92,371)	7,432,316
Restricted intergovernmental revenues				
State street aid - Powell Bill	525,000	603,008	78,008	529,622
Federal grants	1,000	5,949	4,949	9,503
NC Department of Transportation grant	200,000	99,600	(100,400)	-
Wake County grants	237,408	69,407	(168,001)	23,488
NC Department of Revenue PEG Channel Support	52,000	51,613	(387)	51,282
Solid waste disposal tax	14,000	16,002	2,002	15,345
Wake County Public Schools - Resource officer	58,500	88,161	29,661	58,480
Wake County Fire District Funding	2,986,406	2,905,163	(81,243)	2,411,761
Firemen's relief fund	-	-	-	26,280
Total	4,074,314	3,838,903	(235,411)	3,125,761

TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024
With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
Permits and fees				
Building permits and inspection fees	\$ 440,000	\$ 668,835	\$ 228,835	\$ 530,102
Certificate of occupancy fees	20,000	21,757	1,757	22,098
Miscellaneous fees	15,000	13,900	(1,100)	13,062
Officer fees	5,000	4,131	(869)	3,631
Total	480,000	708,623	228,623	568,893
Sales and services				
Sanitation				
Sanitation fees	826,000	894,747	68,747	845,800
Recycle fees	350,000	334,541	(15,459)	331,838
Subtotal	1,176,000	1,229,288	53,288	1,177,638
Recreation				
Program fees	164,550	143,887	(20,663)	123,354
Pool fees	18,300	35,519	17,219	30,893
Recreation center fees	34,500	33,424	(1,076)	39,514
Track out/Fitness fees	4,000	4,392	392	4,541
Knightdale Station Park fees	58,000	42,814	(15,186)	41,398
Subtotal	279,350	260,036	(19,314)	239,700
Total	1,455,350	1,489,324	33,974	1,417,338
Investment earnings	416,500	595,825	179,325	424,939
Other revenues				
Miscellaneous	169,650	369,903	200,253	134,085
Insurance proceeds	8,500	10,745	2,245	44,623
Reimbursement for off duty police officers	20,000	40,417	20,417	12,553
Fines and forfeitures	1,000	65	(935)	560
Total	199,150	421,130	221,980	191,821
TOTAL REVENUES	26,903,814	27,703,998	800,184	25,136,421

TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024
With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
EXPENDITURES				
General government				
Administration				
Current				
Personnel services	\$ 1,545,277	\$ 1,450,658	\$ 94,619	\$ 1,463,691
Operations & maintenance	1,327,327	1,021,216	306,111	1,175,768
Capital outlay	185,000	137,799	47,201	1,564,161
Total	3,057,604	2,609,673	447,931	4,203,620
Finance				
Current				
Personnel services	667,090	654,897	12,193	633,344
Operations & maintenance	272,951	226,520	46,431	234,368
Capital outlay	-	-	-	67,247
Total	940,041	881,417	58,624	934,959
Total general government	3,997,645	3,491,090	506,555	5,138,579
Public safety				
Police				
Current				
Personnel services	4,717,485	4,210,393	507,092	3,607,166
Operations & maintenance	1,199,284	956,540	242,744	890,581
Capital outlay	1,129,553	1,006,009	123,544	309,242
Total	7,046,322	6,172,942	873,380	4,806,989
Fire				
Current				
Personnel services	5,432,745	5,271,928	160,817	4,913,972
Operations & maintenance	884,643	816,500	68,143	916,137
Capital outlay	171,725	175,293	(3,568)	151,417
Total	6,489,113	6,263,721	225,392	5,981,526
Total public safety	13,535,435	12,436,663	1,098,772	10,788,515

TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024
With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
Transportation				
Public Works				
Current				
Personnel services	\$ 695,701	\$ 651,111	\$ 44,590	\$ 654,430
Operations & maintenance	687,138	571,980	115,158	651,007
Capital Outlay	166,603	158,723	7,880	266,202
Total	1,549,442	1,381,814	167,628	1,571,639
Public Buildings and Grounds				
Current				
Personnel services	377,877	408,675	(30,798)	322,316
Operations & maintenance	458,403	363,890	94,513	444,942
Capital Outlay	177,000	42,175	134,825	87,328
Total	1,013,280	814,740	198,540	854,586
Streets and Highways				
Current				
Operations & maintenance	334,050	439,123	(105,073)	402,438
Capital Outlay	738,895	10,367	728,528	824,319
Total	1,072,945	449,490	623,455	1,226,757
Total transportation	3,635,667	2,646,044	989,623	3,652,982
Environmental Protection				
Sanitation				
Current				
Operations & maintenance	1,335,150	1,312,783	22,367	1,302,169
Economic and Physical Development				
Planning and Zoning				
Current				
Personnel services	868,796	888,292	(19,496)	733,837
Operations & maintenance	293,896	131,813	162,083	274,669
Capital Outlay	1,053,084	544,621	508,463	439,614
Total	2,215,776	1,564,726	651,050	1,448,120

TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024
With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
Community Relations				
Current				
Personnel services	\$ 271,816	\$ 279,437	\$ (7,621)	\$ -
Operations & maintenance	222,890	178,629	44,261	-
Capital Outlay	50,000	49,864	136	-
Total	544,706	507,930	36,776	-
Total economic and physical development	2,760,482	2,072,656	687,826	1,448,120
Cultural & Recreational				
Parks and Recreation				
Current				
Personnel services	790,969	737,965	53,004	717,680
Operations & maintenance	1,130,970	781,776	349,194	629,192
Capital outlay	382,900	362,811	20,089	417,979
Total cultural and recreational	2,304,839	1,882,552	422,287	1,764,851
Debt service				
Principal	2,415,838	2,411,746	4,092	1,537,669
Interest	472,928	471,494	1,434	243,371
Total debt service	2,888,766	2,883,240	5,526	1,781,040
TOTAL EXPENDITURES	30,457,984	26,725,028	3,732,956	25,876,256
Revenues over/(under) expenditures	(3,554,170)	978,970	4,533,140	(739,835)

TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024
With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
OTHER FINANCING SOURCES (USES)				
Transfers from:				
General Capital Reserve Fund	\$ 2,072,373	\$ -	\$ (2,072,373)	\$ -
Fire Capital Project Fund	-	-	-	100,000
Special Revenue-ARPA	41,000	-	(41,000)	5,000,000
Transfers to:				
General Capital Reserve Fund	(667,000)	(667,000)	-	(641,212)
Forestville Road Fire Station Capital Project Fund	-	-	-	(5,000,000)
Sale of capital assets	81,100	41,286	(39,814)	79,601
Lease proceeds	-	-	-	478,099
Subscription proceeds	396,000	432,391	36,391	1,111,887
Installment purchase obligations issued	230,000	223,848	(6,152)	-
Appropriated fund balance	1,400,697	-	(1,400,697)	-
TOTAL OTHER FINANCING SOURCES (USES)	3,554,170	30,525	(3,523,645)	1,128,375
NET CHANGE IN FUND BALANCE	\$ -	1,009,495	\$ 1,009,495	388,540
FUND BALANCE - beginning of year		13,579,538		13,190,998
FUND BALANCE - end of year		\$ 14,589,033		\$ 13,579,538

TOWN OF KNIGHTDALE, NORTH CAROLINA
SPECIAL REVENUE FUND - STORM WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2024

With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)	Actual
REVENUES				
Permits and fees				
Storm Water fees	\$ 1,191,421	\$ 1,261,369	\$ 69,948	\$ 1,236,178
Sinking fund revenue	-	-	-	269,550
Building permits and inspection fees	115,000	289,753	174,753	233,335
Total	1,306,421	1,551,122	244,701	1,739,063
Investment earnings	41,800	111,697	69,897	50,469
TOTAL REVENUES	1,348,221	1,662,819	314,598	1,789,532
EXPENDITURES				
Storm Water Maintenance				
Current				
Personnel services	713,914	555,338	158,576	453,266
Operations & maintenance	459,139	253,296	205,843	217,185
Capital outlay	731,415	390,139	341,276	137,404
Total Storm Water Maintenance	1,904,468	1,198,773	705,695	807,855
Debt Service				
Principal	40,096	40,096	-	29,260
Interest	2,173	2,170	3	1,931
Total Debt Service	42,269	42,266	3	31,191
TOTAL EXPENDITURES	1,946,737	1,241,039	705,698	839,046
REVENUES OVER (UNDER) EXPENDITURES	(598,516)	421,780	1,020,296	950,486
OTHER FINANCING SOURCES				
Subscription proceeds	-	-	-	39,831
Appropriated fund balance	598,516	-	(598,516)	-
TOTAL OTHER FINANCING SOURCES	598,516	-	(598,516)	39,831
NET CHANGE IN FUND BALANCE	\$ -	421,780	\$ 421,780	990,317
FUND BALANCE - beginning of year		\$ 2,683,588		\$ 1,693,271
FUND BALANCE - end of year		\$ 3,105,368		\$ 2,683,588

TOWN OF KNIGHTDALE, NORTH CAROLINA
GENERAL CAPITAL PROJECT - CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended June 30, 2024

With Comparative Actual Amounts for Year Ended June 30, 2023

	2024			2023
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Other taxes and licenses:				
Motor vehicle licenses	\$ 150,000	\$ 157,297	\$ 7,297	\$ 152,815
Permits and fees:				
Transportation fees	125,000	370,978	245,978	96,085
Streets-in-lieu fees	-	194,818	194,818	103,553
Investment earnings	50,000	142,518	92,518	76,900
TOTAL REVENUES	325,000	865,611	540,611	431,103
OTHER FINANCING SOURCES (USES)				
Transfers from:				
General Fund	667,000	667,000	-	641,212
Law Enforcement Center Capital Project Fund	552,475	-	(552,475)	
Fire Capital Project Fund	-	-	-	420,000
Wake Stone Capital Project Fund	-	-	-	13,050
Transfers to:				
General Fund	(1,580,548)	-	1,580,548	-
Law Enforcement Center Capital Project Fund	(491,825)	(491,825)	-	(552,475)
Mingo Creek Greenway Capital Project Fund	-	-	-	(1,224,881)
Fund Balance:				
Appropriated fund balance	527,898	-	(527,898)	-
TOTAL OTHER FINANCING SOURCES (USES)	(325,000)	175,175	500,175	(703,094)
NET CHANGE IN FUND BALANCE	\$ -	1,040,786	\$ 1,040,786	(271,991)
FUND BALANCE - beginning of year		2,902,803		3,174,794
FUND BALANCE - end of year		\$ 3,943,589		\$ 2,902,803

TOWN OF KNIGHTDALE, NORTH CAROLINA
MINGO CREEK GREENWAY EXTENSION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

From Inception To June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES				
Investment Earnings	\$ -	\$ 21,607	\$ 29,096	\$ 50,703
CAMPO grant	3,282,881	534,893	2,522,242	3,057,135
TOTAL REVENUES	3,282,881	556,500	2,551,338	3,107,838
EXPENDITURES				
Mingo Creek Greenway Extension				
Right of Way Acquisition	668,616	669,125	-	669,125
Professional Fees	569,529	-	-	-
Construction	3,783,617	-	3,152,802	3,152,802
TOTAL EXPENDITURES	5,021,762	669,125	3,152,802	3,821,927
Revenues under expenditures before other financing sources	(1,738,881)	(112,625)	(601,464)	(714,089)
OTHER FINANCING SOURCES				
Transfers from:				
General Capital Reserve Fund	1,738,881	1,738,881	-	1,738,881
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,626,256	\$ (601,464)	\$ 1,024,792

TOWN OF KNIGHTDALE, NORTH CAROLINA
FIRE CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

From Inception To June 30, 2024

	Project	Actual		
	Authorization	Prior	Current	Total
		Years	Year	To Date
REVENUES				
Investment Earnings	\$ -	\$ 101,859	\$ 83,709	\$ 185,568
EXPENDITURES				
Supplies	296,652	185,261	107,621	292,882
Capital Outlay	11,207,283	3,232,906	3,974,615	7,207,521
TOTAL EXPENDITURES	11,503,935	3,418,167	4,082,236	7,500,403
Revenues under expenditures before other financing sources (uses)	(11,503,935)	(3,316,308)	(3,998,527)	(7,314,835)
OTHER FINANCING SOURCES (USES)				
Installment purchase obligations issued	11,723,470	8,114,000	-	8,114,000
Transfers from:				
General Capital Reserve Fund	300,465	300,465	-	300,465
Transfers to:				
General Fund	(100,000)	(100,000)	-	(100,000)
Capital Reserve Fund	(420,000)	(420,000)	-	(420,000)
TOTAL OTHER FINANCING SOURCES (USES)	11,503,935	7,894,465	-	7,894,465
NET CHANGE IN FUND BALANCE	\$ -	\$ 4,578,157	\$ (3,998,527)	\$ 579,630

TOWN OF KNIGHTDALE, NORTH CAROLINA
FORESTVILLE RD. FIRE STATION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

From Inception To June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES				
Investment Earnings	\$ -	\$ 47,165	\$ 163,391	\$ 210,556
EXPENDITURES				
Financing costs	50,000	54,630	-	54,630
Capital Outlay	7,150,000	692,917	4,524,344	5,217,261
TOTAL EXPENDITURES	7,200,000	747,547	4,524,344	5,271,891
Revenues under expenditures before other financing sources	(7,200,000)	(700,382)	(4,360,953)	(5,061,335)
OTHER FINANCING SOURCES				
Installment purchase obligations issued	2,200,000	2,200,000	-	2,200,000
Transfers from:				
General Fund	5,000,000	5,000,000	-	5,000,000
TOTAL OTHER FINANCING SOURCES	7,200,000	7,200,000	-	7,200,000
NET CHANGE IN FUND BALANCE	\$ -	\$ 6,499,618	\$ (4,360,953)	\$ 2,138,665

TOWN OF KNIGHTDALE, NORTH CAROLINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024

	Special Revenue			Capital Projects		
	ARP CSLFRF Fund	Formerly Non-major Storm Water Special Revenue Fund	Formerly Non-major Capital Reserve Capital Project Fund	Law Enforcement Capital Project Fund	Formerly Non-major Mingo Creek Greenway Extension Capital Project Fund	Total Non-Major Governmental Funds
REVENUES						
ARP - CSLFRF Funds	\$ 183,100	\$ -	\$ -	\$ -	\$ -	\$ 183,100
Investment earnings	1,752	-	-	24,765	-	26,517
TOTAL REVENUES	184,852	-	-	24,765	-	209,617
EXPENDITURES						
Capital outlay	134,412	-	-	229,918	-	364,330
REVENUES OVER (UNDER) EXPENDITURES	50,440	-	-	(205,153)	-	(154,713)
OTHER FINANCING SOURCES (USES)						
Transfers from:						
Capital Reserve Capital Project Fund	-	-	-	491,825	-	491,825
Transfers to:						
General Fund	(50,440)	-	-	-	-	(50,440)
TOTAL OTHER FINANCING SOURCES (USES)	(50,440)	-	-	491,825	-	441,385
NET CHANGE IN FUND BALANCE	-	-	-	286,672	-	286,672
FUND BALANCE - Beginning of Year, as previously presented	-	2,683,588	2,902,803	500,357	1,626,256	7,713,004
Change within financial reporting entity (nonmajor to major fund)	-	(2,683,588)	(2,902,803)	-	(1,626,256)	(7,212,647)
FUND BALANCE - Beginning of Year, as restated	-	-	-	500,357	-	500,357
FUND BALANCE - end of year	\$ -	\$ -	\$ -	\$ 787,029	\$ -	\$ 787,029

TOWN OF KNIGHTDALE, NORTH CAROLINA
ARP CSLFRF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

From Inception To June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES				
ARP - CSLFRF Funds	\$ 5,686,519	\$ 5,503,419	\$ 183,100	\$ 5,686,519
Investment earnings	41,543	87,926	1,752	89,678
TOTAL REVENUES	5,728,062	5,591,345	184,852	5,776,197
EXPENDITURES				
Personnel services	222,504	222,504	-	222,504
Supplies	21,679	21,679	-	21,679
Capital Outlay	483,879	347,162	134,412	481,574
TOTAL EXPENDITURES	728,062	591,345	134,412	725,757
Revenues over expenditures before other financing uses	5,000,000	5,000,000	50,440	5,050,440
OTHER FINANCING USES				
Transfers to General Fund	(5,000,000)	(5,000,000)	(50,440)	(5,050,440)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -

TOWN OF KNIGHTDALE, NORTH CAROLINA
LAW ENFORCEMENT CENTER CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

From Inception To June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES				
Investment Earnings	\$ -	\$ 4,067	\$ 24,766	\$ 28,833
EXPENDITURES				
Capital Outlay	1,044,300	56,185	229,918	286,103
TOTAL EXPENDITURES	1,044,300	56,185	229,918	286,103
Revenues under expenditures before other financing sources	(1,044,300)	(52,118)	(205,152)	(257,270)
OTHER FINANCING SOURCES				
Transfers from:				
General Capital Reserve Fund	1,044,300	552,475	491,825	1,044,300
NET CHANGE IN FUND BALANCE	\$ -	\$ 500,357	\$ 286,673	\$ 787,030



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Other Schedules

TOWN OF KNIGHTDALE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Current Levy	Collections and Credits	Uncollected Balance June 30, 2024
2024	\$ -	\$ 12,404,182	\$ 12,364,585	\$ 39,597
2023	27,973	-	8,572	19,401
2022	18,314	-	2,904	15,410
2021	18,281	-	489	17,792
2020	12,358	-	437	11,921
2019	9,446	-	319	9,127
2018	4,048	-	141	3,907
2017	3,767	-	172	3,595
2016	3,065	-	310	2,755
2015	2,195	-	15	2,180
2014	9,022	-	9,022	-
Total	\$ 108,469	\$ 12,404,182	\$ 12,386,966	\$ 125,685

RECONCILIATION WITH REVENUES

Taxes - Ad Valorem - General Fund	\$ 12,412,541
Add (deduct):	
Penalties and interest	(35,192)
Taxes written off	9,022
Releases, rebates and adjustments	595
Total Collections and Credits	\$ 12,386,966

TOWN OF KNIGHTDALE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY

June 30, 2024

	Town-Wide			Total Levy	
	Property Valuation	Tax Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,743,867,778	0.45	\$ 12,347,405	\$ 11,289,974	\$ 1,057,431
Penalties	-		10,710	10,710	-
Total	2,743,867,778		12,358,115	11,300,684	1,057,431
Discoveries:					
Prior year taxes	-	0.45	60,765	60,765	-
Total	2,743,867,778		12,418,880	11,361,449	1,057,431
Abatements	(3,266,222)	0.45	(14,698)	(14,698)	-
Total property valuation	<u>\$ 2,740,601,556</u>				
Net levy			12,404,182	11,346,751	1,057,431
Uncollected taxes at June 30, 2024			39,597	37,136	2,461
Current year's taxes collected			\$ 12,364,585	\$ 11,309,615	\$ 1,054,970
Current levy collection percentage			99.68%	99.67%	99.77%



This section, unaudited, presents comparative statistical data, graphs, and other pertinent information of the Town which may be further divided into the following:

Financial Trends (Tables 1 – 4) containing trend information to help the reader understand how the Town’s financial performance and standing have changed over time.

Revenue Capacity (Tables 5 – 9) containing information to help the reader assess the Town’s tax base and revenue from property taxes.

Debt Capacity (Tables 10 – 13) containing schedules to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.

Operating Information (Tables 14 – 16) containing information about the Town’s operation and resources to help the reader understand how the Town’s financial information relates to the services the Town provides and the activities it performs.

Demographic and Economic Information (Tables 17 – 19) containing demographic and economic indicators to help the reader understand the environment with which the Town’s financial activities take place and to help make comparisons over time, and with other governments.

STATISTICAL SECTION



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TOWN OF KNIGHTDALE, NORTH CAROLINA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

Table 1

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities										
Net investment in capital assets	\$ 42,796,062	\$ 42,147,141	\$ 52,553,720	\$ 74,593,140	\$ 84,694,947	\$ 92,350,593	\$102,431,612	\$ 103,849,993	\$ 114,560,503	\$ 122,241,916
Restricted	3,020,044	3,401,121	4,888,416	3,465,478	2,813,131	3,321,406	5,586,838	6,489,616	5,647,781	7,216,824
Unrestricted	4,586,612	5,960,276	5,144,918	(341,940)	(895,417)	(2,462,797)	(3,098,354)	(308,347)	7,022,908	3,806,247
Total governmental activities net position	<u>\$ 50,402,718</u>	<u>\$ 51,508,538</u>	<u>\$ 62,587,054</u>	<u>\$ 77,716,678</u>	<u>\$ 86,612,661</u>	<u>\$ 93,209,202</u>	<u>\$104,920,096</u>	<u>\$ 110,031,262</u>	<u>\$ 127,231,192</u>	<u>\$ 133,264,987</u>
Business-type Activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	70,300	93,036	94,378	95,824	37,335	38,317	38,450	-	-	-
Total business-type activities net position	<u>\$ 70,300</u>	<u>\$ 93,036</u>	<u>\$ 94,378</u>	<u>\$ 95,824</u>	<u>\$ 37,335</u>	<u>\$ 38,317</u>	<u>\$ 38,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government										
Net investment in capital assets	\$ 42,796,062	\$ 42,147,141	\$ 52,553,720	\$ 74,593,140	\$ 84,694,947	\$ 92,350,593	\$102,431,612	\$ 103,849,993	\$ 114,560,503	\$ 122,241,916
Restricted	3,020,044	3,401,121	4,888,416	3,465,478	2,813,131	3,321,406	5,586,838	6,489,616	5,647,781	7,216,824
Unrestricted	4,656,912	6,053,312	5,239,296	(246,116)	(858,082)	(2,424,480)	(3,059,904)	(308,347)	7,022,908	3,806,247
Total primary government net position	<u>\$ 50,473,018</u>	<u>\$ 51,601,574</u>	<u>\$ 62,681,432</u>	<u>\$ 77,812,502</u>	<u>\$ 86,649,996</u>	<u>\$ 93,247,519</u>	<u>\$104,958,546</u>	<u>\$ 110,031,262</u>	<u>\$ 127,231,192</u>	<u>\$ 133,264,987</u>

TOWN OF KNIGHTDALE, NORTH CAROLINA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

Expenses

Governmental activities:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	\$ 1,462,856	\$ 1,705,859	\$ 1,790,288	\$ 2,040,009	\$ 2,241,328	\$ 2,754,724	\$ 2,890,349	\$ 3,099,981	\$ 3,829,471	\$ 3,881,523
Public safety	3,850,081	4,216,783	4,448,548	4,911,222	5,584,019	6,101,023	9,011,593	9,687,178	12,122,180	13,328,384
Transportation	3,593,265	2,748,299	3,015,025	3,211,771	3,983,151	4,390,035	4,757,226	5,117,393	5,725,222	6,029,958
Environmental protection	769,509	864,818	991,916	1,126,966	1,275,434	1,414,155	1,604,465	1,647,090	2,137,790	2,308,029
Economic development	509,072	668,332	673,850	1,179,187	713,596	712,736	731,964	949,593	1,122,558	1,696,032
Cultural and recreational	1,567,881	1,754,476	1,623,863	1,335,609	1,875,579	1,802,331	1,640,414	1,925,848	2,366,509	2,577,647
Interest on long-term debt	277,097	245,700	215,103	173,366	253,289	282,904	288,544	254,024	228,938	463,116
Total governmental activities expenses	\$ 12,029,761	\$ 12,204,267	\$ 12,758,593	\$ 13,978,130	\$ 15,926,396	\$ 17,457,908	\$ 20,924,555	\$ 22,681,107	\$ 27,532,668	\$ 30,284,689

Business-type activities:

Water and sewer	52,482	30,594	20,566	16,656	74,050	9,633	6,527	3,008	-	-
Total business-type activities expenses	52,482	30,594	20,566	16,656	74,050	9,633	6,527	3,008	-	-
Total primary government expenses	\$ 12,082,243	\$ 12,234,861	\$ 12,779,159	\$ 13,994,786	\$ 16,000,446	\$ 17,467,541	\$ 20,931,082	\$ 22,684,115	\$ 27,532,668	\$ 30,284,689

Program Revenues

Governmental activities:

Charges for service:

General government	\$ 300,127	\$ 353,762	\$ 291,440	\$ 386,222	\$ 278,468	\$ 272,623	\$ 351,581	\$ 904,784	\$ 530,103	\$ 668,835
Public safety	-	-	-	-	-	-	-	-	3,631	4,131
Transportation	97,420	345,889	252,588	187,053	150,065	157,669	628,035	348,219	-	-
Environmental protection	1,043,007	1,036,465	1,157,202	1,183,579	1,603,144	1,653,995	1,993,778	2,549,023	2,914,486	2,796,738
Economic development	-	-	-	-	-	-	-	-	35,160	35,657
Cultural and recreational	540,237	497,221	454,092	539,675	532,872	192,626	151,414	243,159	239,700	260,036
Operating grants and contributions	1,277,124	771,677	632,335	297,256	272,786	234,376	2,321,810	2,755,342	7,511,882	3,136,295
Capital grants and contributions	1,445,891	39,613	10,744,304	19,165,527	8,586,829	8,320,639	10,763,955	2,550,000	12,852,828	6,910,505
Total governmental activities program revenue	\$ 4,703,806	\$ 3,044,627	\$ 13,531,961	\$ 21,759,312	\$ 11,424,164	\$ 10,831,928	\$ 16,210,573	\$ 9,350,527	\$ 24,087,790	\$ 13,812,197

Business-type activities:

Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-	-	-	-	-	-
Total primary government program revenues	\$ 4,703,806	\$ 3,044,627	\$ 13,531,961	\$ 21,759,312	\$ 11,424,164	\$ 10,831,928	\$ 16,210,573	\$ 9,350,527	\$ 24,087,790	\$ 13,812,197

TOWN OF KNIGHTDALE, NORTH CAROLINA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2 (continued)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net (Expense) / Revenue										
Governmental activities	\$ (7,325,955)	\$ (9,159,640)	\$ 773,368	\$ 7,781,182	\$ (4,502,232)	\$ (6,625,980)	\$ (4,713,982)	\$ (13,330,580)	\$ (3,444,878)	\$ (16,472,492)
Business-type activities	(52,482)	(30,594)	(20,566)	(16,656)	(74,050)	(9,633)	(6,527)	(3,008)	-	-
Total primary government net revenue /(expense)	<u>\$ (7,378,437)</u>	<u>\$ (9,190,234)</u>	<u>\$ 752,802</u>	<u>\$ 7,764,526</u>	<u>\$ (4,576,282)</u>	<u>\$ (6,635,613)</u>	<u>\$ (4,720,509)</u>	<u>\$ (13,333,588)</u>	<u>\$ (3,444,878)</u>	<u>\$ (16,472,492)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 6,179,543	\$ 6,398,393	\$ 6,709,702	\$ 7,192,745	\$ 7,672,069	\$ 8,113,286	\$ 10,259,528	\$ 10,548,953	\$ 11,599,976	\$ 12,429,757
Other taxes and licenses	277,822	219,428	230,023	239,366	246,727	253,644	456,322	72,158	535,830	545,891
Unrestricted intergovernmental revenues	3,360,348	3,616,196	3,770,758	3,899,874	4,289,039	4,490,944	5,466,795	6,936,859	7,429,063	8,031,729
Unrestricted investment earnings	13,960	57,502	68,483	128,145	214,968	164,054	38,331	34,196	808,518	1,152,753
Miscellaneous	43,830	(26,059)	161,061	139,174	107,175	200,593	203,900	808,880	271,421	346,157
Transfers	-	-	-	-	-	-	-	40,700	-	-
Total governmental activities	<u>9,875,503</u>	<u>10,265,460</u>	<u>10,940,027</u>	<u>11,599,304</u>	<u>12,529,978</u>	<u>13,222,521</u>	<u>16,424,876</u>	<u>18,441,746</u>	<u>20,644,808</u>	<u>22,506,287</u>
Business-type activities:										
Unrestricted investment earnings	43,584	32,437	21,908	18,102	15,561	10,615	53	3,290	-	-
Gain /(Loss) on abandoned capital project	-	-	-	-	-	-	-	-	-	-
Miscellaneous	8,431	20,893	-	-	-	-	6,607	1,968	-	-
Transfers	-	-	-	-	-	-	-	(40,700)	-	-
Special item (loss on transfer of assets to Raleigh)	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>52,015</u>	<u>53,330</u>	<u>21,908</u>	<u>18,102</u>	<u>15,561</u>	<u>10,615</u>	<u>6,660</u>	<u>(35,442)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 9,927,518</u>	<u>\$ 10,318,790</u>	<u>\$ 10,961,935</u>	<u>\$ 11,617,406</u>	<u>\$ 12,545,539</u>	<u>\$ 13,233,136</u>	<u>\$ 16,431,536</u>	<u>\$ 18,406,304</u>	<u>\$ 20,644,808</u>	<u>\$ 22,506,287</u>
Change in Net Position										
Governmental activities	\$ 2,549,548	\$ 1,105,820	\$ 11,713,395	\$ 19,380,486	\$ 8,027,746	\$ 6,596,541	\$ 11,710,894	\$ 5,111,166	\$ 17,199,930	\$ 6,033,795
Business-type activities	(467)	22,736	1,342	1,446	(58,489)	982	133	(38,450)	-	-
Total primary government	<u>\$ 2,549,081</u>	<u>\$ 1,128,556</u>	<u>\$ 11,714,737</u>	<u>\$ 19,381,932</u>	<u>\$ 7,969,257</u>	<u>\$ 6,597,523</u>	<u>\$ 11,711,027</u>	<u>\$ 5,072,716</u>	<u>\$ 17,199,930</u>	<u>\$ 6,033,795</u>

TOWN OF KNIGHTDALE, NORTH CAROLINA

Fund Balance of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	9,526	10,002	5,045	233,533	28,820	43,691	12,465	14,100	18,100	18,814
Restricted	2,170,548	2,413,050	3,644,905	2,759,704	2,010,071	2,490,643	4,150,317	4,955,976	3,741,038	5,230,500
Assigned	70,500	125,000	184,590	1,157,790	700,000	384,546	347,437	333,000	367,075	607,504
Unassigned	5,438,398	5,561,886	5,015,838	4,073,919	5,099,076	4,733,905	6,059,896	7,887,922	9,453,325	8,782,655
Total General Fund	\$ 7,688,972	\$ 8,109,938	\$ 8,850,378	\$ 8,224,946	\$ 7,837,967	\$ 7,652,785	\$ 10,570,115	\$ 13,190,998	\$ 13,579,538	\$ 14,639,473
All other governmental funds										
Nonspendable	\$ 86,844	\$ 113,994	\$ 190,068	\$ 197,664	\$ 293,708	\$ -	\$ -	\$ -	\$ 11,721	\$ -
Restricted	849,496	988,071	1,053,443	508,110	509,352	830,763	1,436,521	1,533,640	1,906,743	1,986,324
Assigned, reported in:										
Special revenue funds	150,046	270,885	244,459	370,229	596,042	670,089	352,659	926,925	1,635,971	2,184,709
Capital project funds	1,870,097	3,128,486	4,085,322	2,807,208	3,564,241	2,260,608	1,748,092	2,641,961	15,236,344	7,408,040
Unassigned	(80,943)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 2,875,540	\$ 4,501,436	\$ 5,573,292	\$ 3,883,211	\$ 4,963,343	\$ 3,761,460	\$ 3,537,272	\$ 5,102,526	\$ 18,790,779	\$ 11,579,073

TOWN OF KNIGHTDALE, NORTH CAROLINA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Ad valorem taxes	\$ 6,223,115	\$ 6,406,826	\$ 6,717,305	\$ 7,194,768	\$ 7,661,793	\$ 8,096,412	\$ 10,244,885	\$ 10,551,065	\$ 11,592,338	\$ 12,412,541
Other taxes and licenses	290,675	222,407	232,380	244,226	252,524	257,349	459,810	516,671	535,830	546,320
Unrestricted intergovernmental	3,360,348	3,616,196	3,770,758	3,899,874	4,289,039	4,490,944	5,466,795	6,936,859	7,432,316	8,031,729
Restricted intergovernmental	1,872,765	811,290	677,588	660,587	916,528	694,928	4,225,102	3,760,377	8,183,816	6,361,145
Permits and fees	793,094	1,018,278	921,328	884,143	1,144,256	1,102,068	1,917,705	2,254,832	2,509,344	2,825,541
Sales and services	1,185,254	1,217,524	1,254,476	1,566,564	1,464,921	1,198,942	1,210,235	1,582,248	1,417,338	1,489,324
Investment earnings	13,960	57,502	68,483	128,145	214,968	164,054	38,331	34,196	808,518	1,152,753
Miscellaneous	39,593	131,544	107,085	78,556	90,770	137,363	131,469	228,557	191,821	421,130
Total revenues	13,778,804	13,481,567	13,749,403	14,656,863	16,034,799	16,142,060	23,694,332	25,864,805	32,671,321	33,240,483
Expenditures										
General government	1,347,135	1,569,789	1,640,039	1,945,701	2,119,274	2,549,789	2,687,448	2,918,695	3,507,171	3,353,291
Public safety	3,518,674	3,809,642	3,925,080	4,311,630	4,811,661	5,100,993	7,738,976	8,663,892	10,327,856	11,362,982
Transportation	2,419,090	1,491,206	1,520,383	1,609,776	1,660,236	1,829,159	1,858,051	2,104,098	2,475,133	2,434,779
Environmental protection	736,714	830,894	951,730	1,090,608	1,233,375	1,364,249	1,529,250	1,552,826	1,972,620	2,121,417
Economic development	504,730	646,700	635,288	630,868	666,160	645,077	672,521	916,514	1,008,506	1,478,171
Cultural and recreation	1,298,594	1,188,254	1,069,680	1,288,372	1,299,450	1,129,441	796,825	978,796	1,346,872	1,519,741
Capital outlay	2,403,729	410,560	950,142	3,990,833	7,143,771	5,702,915	5,113,773	3,344,417	8,112,928	14,893,892
Debt issuance costs	-	-	-	-	-	-	-	-	54,630	-
Debt service :										
Principal	1,164,167	1,235,089	1,105,068	2,172,303	593,582	1,237,176	1,453,808	6,746,663	1,566,929	2,451,842
Interest	299,120	272,997	242,248	280,980	121,891	281,347	302,969	304,706	245,302	473,664
Debt issuance cost	-	-	-	-	-	-	-	50,103	-	-
Total expenditures	13,691,953	11,455,131	12,039,658	17,321,071	19,649,400	19,840,146	22,153,621	27,580,710	30,617,947	40,089,779
Excess of revenues over (under) expenditures	86,851	2,026,436	1,709,745	(2,664,208)	(3,614,601)	(3,698,086)	1,540,711	(1,715,905)	2,053,374	(6,849,296)
Other financing sources (uses)										
Lease proceeds	-	-	-	-	-	-	-	-	478,099	-
Subscription proceeds	-	-	-	-	-	-	-	-	1,151,718	432,391
Transfers in	981,280	1,947,922	1,223,586	3,793,098	1,082,715	2,556,937	1,943,363	2,115,463	12,951,618	1,209,265
Transfers out	(981,280)	(1,947,922)	(1,223,586)	(3,793,098)	(1,082,715)	(2,556,937)	(1,943,363)	(2,074,763)	(12,951,618)	(1,209,265)
Sale of capital assets	4,237	20,426	53,976	60,577	40,954	63,232	72,431	644,342	79,601	41,286
Installment debt issued	200,000	-	48,575	288,118	4,266,800	2,247,789	1,080,000	5,217,000	10,314,000	223,848
Total other financing sources (uses)	204,237	20,426	102,551	348,695	4,307,754	2,311,021	1,152,431	5,902,042	12,023,418	697,525
Net change in fund balance	\$ 291,088	\$ 2,046,862	\$ 1,812,296	\$ (2,315,513)	\$ 693,153	\$ (1,387,065)	\$ 2,693,142	\$ 4,186,137	\$ 14,076,792	\$ (6,151,771)
Debt service as a percentage of noncapital expenditures	13.0%	13.7%	12.1%	18.4%	5.7%	10.7%	10.3%	29.1%	8.1%	11.6%

TOWN OF KNIGHTDALE, NORTH CAROLINA**Governmental Activities, Property Tax Revenue**

Last Ten Fiscal Years

(accrual basis of accounting)

Table 5

Fiscal Year	Tax Rate	Property Tax	Property Tax Adjusted to Current Rate
2015	0.43	\$ 6,179,543	\$ 6,466,964
2016	0.43	6,398,393	6,695,993
2017	0.43	6,709,702	7,021,781
2018	0.43	7,198,558	7,533,375
2019	0.43	7,659,171	8,015,412
2020	0.43	8,103,942	8,480,870
2021	0.42	10,248,665	10,980,713
2022	0.42	10,545,890	11,299,168
2023	0.45	11,620,242	11,620,242
2024	0.45	12,404,182	12,404,182

Property Tax Adjusted to Current Rate is a prediction of the tax revenue that might have been received if the tax rate were uniform over the entire period.

TOWN OF KNIGHTDALE, NORTH CAROLINA

Assessed Value of Taxable Property

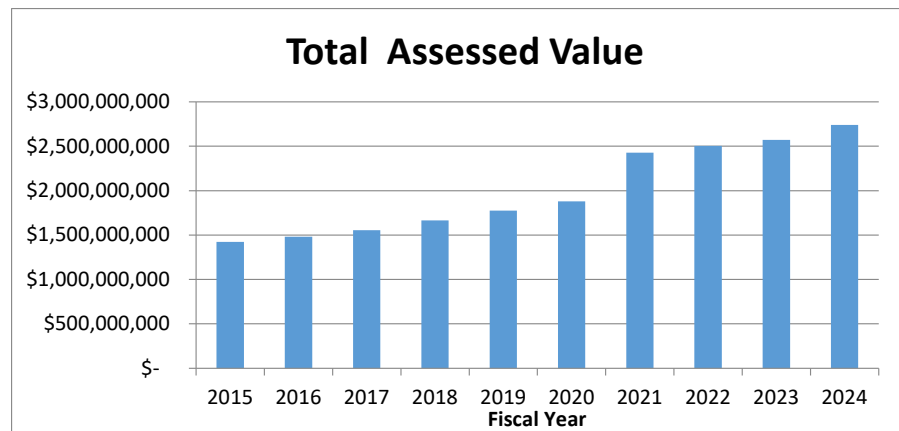
Last Ten Fiscal Years

Table 6

Fiscal Year		Real Property	Personal Property	Public Service Property	Total Assessed Value (1)	Property Tax Rate (Per \$100 Assessed Value)
2015	\$	1,251,348,719	\$ 162,473,352	\$ 9,275,836	\$ 1,423,097,907	0.43
2016		1,310,258,180	160,031,798	10,914,208	1,481,204,186	0.43
2017	(2)	1,356,873,863	188,302,815	10,712,624	1,555,889,302	0.43
2018		1,459,368,486	195,122,565	12,064,763	1,666,555,814	0.43
2019		1,549,753,811	212,784,898	14,300,361	1,776,839,070	0.43
2020		1,642,062,400	225,704,923	12,758,724	1,880,526,047	0.43
2021	(2)	2,148,928,125	267,536,321	12,633,173	2,429,097,619	0.42
2022		2,203,429,118	285,497,279	15,686,698	2,504,613,095	0.42
2023		2,251,503,416	303,322,321	15,535,819	2,570,361,556	0.45
2024		2,391,625,817	321,930,896	27,044,843	2,740,601,556	0.45

NOTES:

- (1) Assessed Value is established by Wake County Tax Department.
 (2) Revaluations are required by law in North Carolina, and Wake County conducts them every four years.
 The latest revaluation occurred in tax year 2024 (effective fiscal year 2025)



TOWN OF KNIGHTDALE, NORTH CAROLINA

Property Tax Rates - Direct and Overlapping (1)

Last Ten Fiscal Years

Table 7

Fiscal Year		Town of Knightdale	Wake County	Combined Tax Rate Per \$100 of Assessed Value
2015		0.43	0.578	1.0080
2016		0.43	0.6145	1.0445
2017	(2)	0.43	0.6005	1.0305
2018		0.43	0.6150	1.0450
2019		0.43	0.6544	1.0844
2020		0.43	0.7207	1.1507
2021	(2)	0.42	0.6000	1.0200
2022		0.42	0.6000	1.0200
2023		0.45	0.6195	1.0695
2024		0.45	0.6520	1.1020

Notes:

(1) Overlapping rates are those of local and county governments that apply to property owners within the Town of Knightdale.

(2) Revaluations are required by law in North Carolina, and Wake County conducts them every four years.

The latest revaluation occurred in tax year 2024 (effective fiscal year 2025)

(3) There are no special tax districts within the Town of Knightdale. The tax rates listed above are Town wide property tax rates.

TOWN OF KNIGHTDALE, NORTH CAROLINA

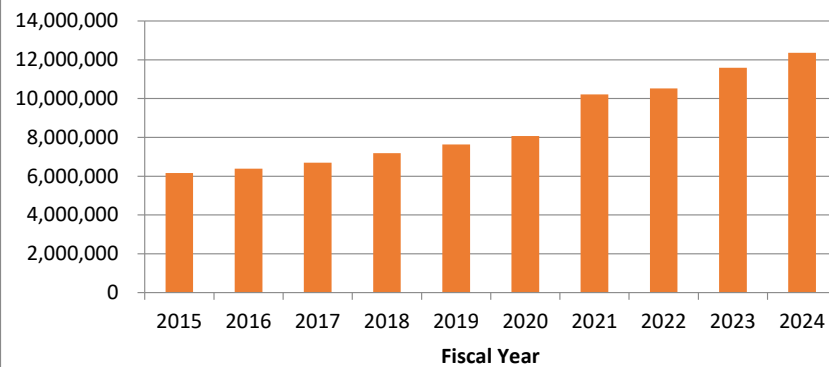
Property Tax Levies and Collections

Last Ten Fiscal Years

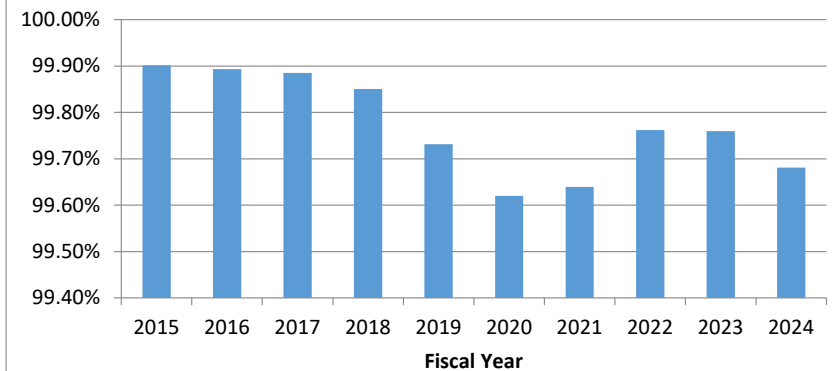
Table 8

Fiscal Year	Net Levy	Current Year's Taxes Collected	Percent of Net Levy Collected	Collections- Prior Years	Total Collections	Percent of Total Tax Collections To Net Levy	Ad Valorem Taxes Receivable Balance-June 30	Percent Delinquent Taxes To Net Levy
2015	\$ 6,166,908	\$ 6,160,848	99.90%	1,265	\$ 6,162,113	99.92%	79,209	1.28%
2016	6,389,729	6,382,904	99.89%	(1,941)	6,380,963	99.86%	70,776	1.11%
2017	6,706,433	6,698,716	99.88%	3,722	6,702,438	99.94%	63,173	0.94%
2018	7,198,558	7,187,814	99.85%	(4,625)	7,183,189	99.79%	61,150	0.85%
2019	7,659,171	7,638,608	99.73%	5,698	7,644,306	99.81%	71,426	0.93%
2020	8,103,942	8,073,156	99.62%	7,874	8,081,030	99.72%	88,300	1.09%
2021	10,248,665	10,211,672	99.64%	17,389	10,229,061	99.81%	102,943	1.00%
2022	10,545,890	10,520,787	99.76%	27,215	10,548,002	100.02%	100,831	0.96%
2023	11,620,242	11,592,269	99.76%	20,335	11,612,604	99.93%	108,469	0.93%
2024	12,404,182	12,364,585	99.68%	22,381	12,386,966	99.86%	125,685	1.01%

Current Year Levy Collections



Tax Collection Percentage



TOWN OF KNIGHTDALE, NORTH CAROLINA

Principal Property Taxpayers

Current Year and Nine Years Ago

		2024			2015		
		Assessed		Percentage	Assessed		Percentage
		Valuation		Of Total	Valuation		Of Total
				Assessed			Assessed
				Valuation			Valuation
Taxpayer (1)	Type of Enterprise	Assessed	Percentage	Rank	Assessed	Percentage	Rank
		Valuation	Of Total		Valuation	Of Total	
BDPF Eastgate	Manufacturer	\$ 79,093,243	2.89%	1			
Knightdale Multifamily Ownership LLC	Real Estate/Apartments	58,095,273	2.12%	2			
Greystone WW Co. LLC	Real Estate/Apartments	50,941,721	1.86%	3	30,000,716	2.11%	2
CH Realty Ixpreiss Multifamily Raleigh	Real Estate/Apartments	44,486,319	1.62%	4			
BRC Knightdale LLC	Real Estate/Apartments	41,900,199	1.53%	5	22,863,184	1.61%	4
Wake Stone Property Company	Manufacturer	37,919,412	1.38%	6			
Triangle Palisades at Legacy Oaks	Real Estate/Apartments	37,106,016	1.35%	7			
The Cottages at Knightdale Station	Real Estate/Apartments	33,411,360	1.22%	8			
BBK Midway Plantation LLC	Retail	32,855,907	1.20%	9			
Laurens Way Co LP	Real Estate/Apartments	29,325,041	1.07%	10	14,716,009	1.03%	8
Knightdale Centers LLC	Retail				52,993,902	3.72%	1
Legacy Oaks Apartments LP	Real Estate/Apartments				24,395,225	1.71%	3
Lowes Home Center	Retail				18,272,275	1.28%	5
Rex Hospital	Medical Facility				15,794,258	1.11%	6
Knightdale Investors, LLC	Real Estate				16,800,632	1.18%	7
Widewaters Knightdale Co. LLC	Real Estate/Apartments				13,752,228	0.97%	9
Aventura Place, LLC (formerly Square D)	Manufacturer				13,107,670	0.92%	10
Totals		\$ 445,134,491	16.24%		\$ 222,696,099	15.64%	
Total Assessed Value		\$ 2,740,601,556			\$ 1,423,097,907		

(1) Data obtained from the Wake County Revenue Department

TOWN OF KNIGHTDALE, NORTH CAROLINA

Legal Debt Margin Information

Last Ten Fiscal Years

Table 10

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed value	\$ 1,423,097,907	\$ 1,481,204,186	\$ 1,555,889,302	\$ 1,666,555,814	\$ 1,776,839,070	\$ 1,880,526,047	\$ 2,429,097,619	\$ 2,504,613,095	\$ 2,570,361,556	\$ 2,740,601,556
Debt limit (8% of assessed value)	113,847,833	118,496,335	124,471,144	133,324,465	142,147,126	150,442,084	194,327,810	200,369,048	205,628,924	219,248,124
Debt applicable to limit:										
Total outstanding debt	12,789,389	11,205,336	9,984,632	7,946,406	11,467,835	12,328,869	11,808,429	10,160,285	18,907,357	17,047,697
Debt authorized but unissued	-	-	-	-	-	-	-	-	-	-
Less debt applicable to business-type activities										
Enterprise Fund debt	(1,259,762)	(910,632)	(746,421)	(592,421)	(440,632)	(291,053)	(144,421)	-	-	-
Total net debt applicable to limit	11,529,627	10,294,704	9,238,211	7,353,985	11,027,203	12,037,816	11,664,008	10,160,285	18,907,357	17,047,697
Legal debt margin	<u>\$ 102,318,206</u>	<u>\$ 108,201,631</u>	<u>\$ 115,232,933</u>	<u>\$ 125,970,480</u>	<u>\$ 131,119,923</u>	<u>\$ 138,404,268</u>	<u>\$ 182,663,802</u>	<u>\$ 190,208,763</u>	<u>\$ 186,721,567</u>	<u>\$ 202,200,427</u>
Total net debt applicable to the limit, as a percentage of the total debt limit	10.13%	8.69%	7.42%	5.52%	7.76%	8.00%	6.00%	5.07%	9.19%	7.78%
Total net debt applicable to the limit, as a percentage of assessed value	0.81%	0.70%	0.59%	0.44%	0.62%	0.64%	0.48%	0.41%	0.74%	0.62%

Note:

Under North Carolina general statutes, the legal debt limit should not exceed 8% of total assessed property value.

TOWN OF KNIGHTDALE, NORTH CAROLINA
Ratio of Outstanding Debt by Type
To Assessed Value and Bonded Debt per Capita
Last Ten Fiscal Years

Table 11

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Assessed Value	Debt as a % of Assessed Valuation	Population	Debt Per Capita
	GO Bonds	Installment Purchases	Lease Liabilities	IT Subscription Liabilities	GO Bonds	Installment Purchases					
2015	\$ 3,179,211	\$ 8,350,416	\$ -	\$ -	\$ 1,080,790	\$ 178,972	\$ 12,789,389	\$ 1,423,097,907	0.90%	13,102	976
2016	2,922,369	7,372,335			910,632	-	11,205,336	1,481,204,186	0.76%	13,560	826
2017	2,666,579	6,571,632			746,421	-	9,984,632	1,555,889,302	0.64%	13,786	724
2018	2,211,579	5,142,406			592,421	-	7,946,406	1,666,555,814	0.48%	15,849	501
2019	2,157,368	8,869,835			440,632	-	11,467,835	1,776,839,070	0.65%	16,753	685
2020	1,903,947	10,133,869			291,053	-	12,328,869	1,880,526,047	0.66%	18,152	679
2021	1,651,579	10,012,429			144,421	-	11,808,429	2,429,097,619	0.49%	19,435	608
2022	1,400,000	8,760,285			-	-	10,160,285	2,504,613,095	0.41%	19,674	516
2023	1,200,000	17,707,357			-	-	18,907,357	2,570,361,556	0.74%	20,386	927
2024	1,000,000	16,047,697	304,819	1,155,745	-	-	18,508,261	2,740,601,556	0.68%	20,957	883

TOWN OF KNIGHTDALE, NORTH CAROLINA
Ratio of Net General Obligation Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	GO Bonds		Net General Obligation Debt	Net General Bonded Debt as a % of (1) Property Value	Population	Debt Per Capita
	Governmental Activities	Business-Type Activities				
2015	\$ 3,179,211	\$ 1,080,790	\$ 4,260,001	0.29%	13,102	325
2016	2,922,369	910,632	3,833,001	0.26%	13,560	283
2017	2,666,579	746,421	3,413,000	0.22%	13,786	248
2018	2,211,579	592,421	2,804,000	0.17%	15,849	177
2019	2,157,368	440,632	2,598,000	0.15%	16,753	155
2020	1,903,947	291,053	2,195,000	0.12%	18,152	121
2021	1,651,579	144,421	1,796,000	0.07%	19,435	92
2022	1,400,000	-	1,400,000	0.06%	19,674	71
2023	1,200,000	-	1,200,000	0.05%	20,386	59
2024	1,000,000	-	1,000,000	0.04%	20,957	48

NOTES:

(1) Net general bonded debt as a percentage of estimated actual value of taxable property.
See Table 6 for estimated actual value of taxable property.

TOWN OF KNIGHTDALE, NORTH CAROLINA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Table 13

Governmental Unit	General Obligation Debt Outstanding (1)	Estimated Percentage Applicable to Town (2)	Estimated Share of Overlapping Debt (3)
Debt repaid with property taxes - Wake County	\$ 1,558,035,000	1.3159%	\$ 20,501,806
Subtotal, overlapping debt			20,501,806
Town of Knightdale direct debt			18,508,261
Total direct and overlapping debt			\$ 39,010,067

NOTES:

(1) Supplied by Wake County Finance Department

(2) The percentage of overlapping debt applicable to the town is estimated using assessed property values. The applicable percentage represents the town's total assessed value divided by Wake County's total assessed value.

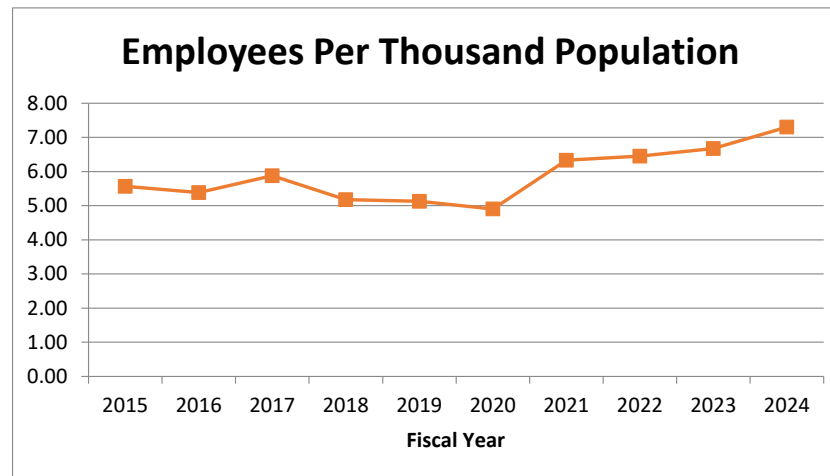
Town of Knightdale Assessed Value	\$ 2,740,601,556
Wake County Assessed Value (1)	208,272,051,043
Percentage applicable to Knightdale	1.3159%

(3) Overlapping debt does not include the debt of the Special Airport District of Durham and Wake Counties as these bonds are payable by the Airport Authority out of airport revenues.

TOWN OF KNIGHTDALE, NORTH CAROLINA
Employee Positions Authorized by Department
 Last Ten Fiscal Years

Table 14

Fiscal Year	General Government	Public Safety	Parks and Recreation	Development Services	Public Works	Fiscal Year Total
2015	10.00	39.0	6.0	5.00	13.0	73.00
2016	11.00	39.0	6.0	6.00	11.0	73.00
2017	10.00	45.0	6.0	7.00	13.0	81.00
2018	12.00	46.0	7.0	6.00	11.0	82.00
2019	14.00	48.0	7.0	6.00	11.0	86.00
2020	13.00	52.0	6.0	6.00	12.0	89.00
2021	14.00	84.0	5.0	6.00	14.0	123.00
2022	14.00	84.0	5.0	7.00	17.0	127.00
2023	16.00	89.0	6.0	7.00	18.0	136.00
2024	17.00	103.0	6.0	8.00	19.0	153.00



Number of employees data provided by Town of Knightdale Human Resources Division.

TOWN OF KNIGHTDALE, NORTH CAROLINA
Operating Indicators by Function

Last Ten Fiscal Years

Table 15

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>Administration</i>										
Agendas prepared and delivered 5 days before Council meetings	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minutes prepared within 3 working days of Council meetings	58%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Meeting minutes completed without error	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Human Resources</i>										
Employees successfully completing probation period	100%	100%	89%	82%	67%	100%	87%	92.86%	82.35%	70.59%
Employee turnover (includes retirements)	18%	4%	14%	9%	12%	11%	10%	21.97%	12.14%	12.42%
<i>Finance (1)</i>										
Bank statement reconciled within 7 days of receipt	100%	45%	100%	100%	100%	100%	100%	100%	100%	
Month is closed out within 20 days of month end	100%	92%	100%	100%	100%	100%	100%	100%	100%	
Accuracy of bank deposits submitted to the bank	96%	98%	98%	99%	99%	99%	99%	99%	99%	
Average accuracy rate in forecasting all major revenues	95%	95%	99%	100%	100%	100%	100%	100%	100%	
Accuracy rate in forecasting ad valorem revenue tax revenue.	97%	98%	100%	100%	100%	100%	100%	100%	100%	
Number of budget amendments requiring council approval	9	11	11	9	8	3	6	12	17	
Maintain a performance of revenues exceeding expenditures										yes
Maintain a level of unassigned fund balance greater than 25% of expenditures										yes
Debt service is less than 15% of the total anticipated expenditures										yes
Maintain a General Capital Reserve Fund of greater than \$500,000										yes
<i>Development Services Department</i>										
Permits issued:										
Commercial	58	107	81	129	63	77	81	93	134	152
Residential	152	228	266	185	138	132	88	260	229	328
<i>Police Department</i>										
Investigative report supplement compliance rates	100%	100%	100%	100%	100%	100%	97%	99.98%	98.9%	98.0%
Investigation clearance rates	48%	51%	52%	53%	46%	45%	49%	52%	54%	58%
Average response time to calls for service (minutes : seconds)	5:07	5:05	4:46	5:17	5:44	5:09	12:28	5:49	4:22	4:40
Number Part I Crimes	455	407	355	376	365	363	413	456	604	622
Number of reports taken	1,136	1,120	1,178	1,122	1,109	1,170	1,261	1,110	1,476	1,609
Number of arrests made	322	330	357	323	441	435	593	497	728*	913*

TOWN OF KNIGHTDALE, NORTH CAROLINA
Operating Indicators by Function

Last Ten Fiscal Years

Table 15

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Continued 2024
<i>Fire Department (1)</i>										
Average response time to calls for service (minutes : seconds)	4:55	5.01	5.17	5.07	5:06	5:15	4.49	5:02	5:51	
Average personnel responding to structure related calls	13.0	12.1	11.5	9.12	10	7	8.14	14.9	11.25	
Training hours for all staff & volunteers	9,818	9,171	11,674	10,071	10,004	8,750	12,580	18,400	16,117	
Fire loss for the year	\$487,141	\$443,230	\$532,854	\$616,351	\$628,050	\$15,220	\$322,802	\$536,950	\$2,279,112	
Value of property saved	\$7,843,396	\$5,668,883	\$7,280,616	\$7,066,049	\$8,453,728	\$1,770,350	\$5,629,123	\$5,257,417	\$6,726,259	
Percentage of property loss	5.85%	7.82%	6.72%	8.02%	6.92%	8.60%	5.73%	10.21%	25.3%	
Total calls	1,348	1,364	1,490	1,504	1,661	1,839	3,189	3,888	4,127	
Achieve 100% compliance with the mandated state fire prevention inspection										100%
Conduct annual public outreach for fire prevention safety for at least 10% of the Town's population										52%
Save at least 90% of building and content values from fire loss										90.90%
Respond to 90% of emergency calls for service within the town limits, with a travel time of 5 minutes or less for the first arriving unit										85.71%
Respond to 90% of emergency calls for service within the Alert Fire District limits, with a travel time of 7 minutes or less for the first arriving unit										80%
<i>Public Works (2)</i>										
Residential tons collected yearly										
Solid Waste	3,034	3,504	3,959	4,528	3,752	5,212	5,399	5,700	5,400	5,200
Recycling	552	626	706	1,223	807	1,526	1,261	1,200	1,300	1,137
Mulching / compost (3)	1,368	0	2,250	3,080	3,280	3,450	3,625	4,000	4,000	4,000
Households served	3,455	4,092	4,662	5,133	5,249	5,831	6,036	6,120	6,300	6,500
<i>Parks and Recreation (4)</i>										
Participants in camps and recreation programs										
Baseball (Spring & Fall) (5)	394	437	469	446	347	0	0	590	698	703
Softball (Spring & Fall) (5)	38	61	261	487	486	0	0	72	72	35
Basketball (Summer & Winter beginning 2010) (5)	525	564	995	1,226	1,041	603	603	605	842	700
Swimming Pool	7,718	6,563	5,673	6,482	6,525	2,424	2,424	6,038	6,233	5,252
Swim Lessons	163	156	140	97	0	0	0	0	0	0
Track Out Camp (6)	4,297	3,663	3,715	362	486	0	0	0	0	0
Summer Camp (6)	979	1,190	1,155	1,111	1,051	130	130	0	0	0

Notes:

*Includes physical arrests and arrests via criminal summons

(1) Starting in FY2024, Fire and Finance departments use performance measures that were reported in the Annual Performance Magement Report.

(2) Information provided from the Town of Knightdale Public Works Department and NC Dept. of Environment and Natural Resources.

(3) No mulching or composting done in FY16 due to position vacancy. Resumed in July 2016.

(4) The Parks & Recreation maintains the detailed information shown here on a calendar year basis.

(5) Youth participants in FY22 and FY23, no adult leagues. FY23 increase due to newly offered sports-related clinics.

(6) The Town of Knightdale only facilitates these camps, as they are co-sponsored with the YMCA. No figures are shown.

TOWN OF KNIGHTDALE, NORTH CAROLINA

Capital Asset Statistics by Function

Last Ten Fiscal Years

Table 16

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function										
Police										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol Units	32	32	35	35	35	35	37	40	45	51
K-9 Units	2	2	2	1	1	1	-	-	-	-
Fire										
Stations	1	1	1	1	1	1	3	3	3	4
Fire Trucks	3	3	3	3	3	3	5	5	5	6
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Other Trucks	-	-	-	-	-	-	4	4	4	5
Public Works										
Streets (miles)	48.33	48.33	50.95	56.30	57.00	59.05	61.17	61.44	63.98	64.61
Parks and Recreation										
Parks (1)	4	4	4	4	4	4	6	6	6	6
Acreage	106.80	106.80	106.80	106.80	156.80	156.80	241.00	241.00	241.00	241.00
Playgrounds	4	4	4	4	4	3	3	3	3	3
Baseball / softball diamonds (2)	9	9	9	9	9	7	7	7	7	7
Soccer / football fields	4	4	4	4	4	4	9	9	9	9
Community Centers	1	1	1	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1	1	1	1
Tennis Courts	2	2	2	2	4	4	4	4	4	4
Mingo Creek Greenway (miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3	3
Bus	1	1	1	1	1	1	1	1	1	1
Splash Pad	-	-	-	-	1	1	1	1	1	1
Pickleball Courts	-	-	-	-	2	2	2	4	4	4

Sources: Various Town Departments

Notes:

No capital indicators are available for general government function.

1 Knightdale Station Park - Land purchased in 2010. Park opened on July 19, 2013.

2 Baseball / softball fields are owned by Wake County, but maintained by Town of Knightdale.

TOWN OF KNIGHTDALE, NORTH CAROLINA**Demographic Statistics**

Last Ten Fiscal Years

Table 17

Fiscal Year	(1) Knightdale Population	(1) Wake County Population	(1) Median Family Income	(2) Unemployment Rate Percentage
2015	13,102	1,007,641	\$ 71,066	5.0
2016	13,560	1,030,326	72,591	4.3
2017	14,763	1,052,120	64,399	3.6
2018	15,849	1,073,993	67,167	3.4
2019	16,753	1,096,408	70,540	3.9
2020	18,152	1,109,883	70,540	7.1
2021	19,435	1,111,761	70,363	4.6
2022	19,674	1,150,722	90,039	3.6
2023	20,386	1,171,331	90,039	3.4
2024	20,957	1,213,377	90,039	3.6

Notes:

(1) North Carolina Office of State Budget and Management and Development Services Quick Fact Data Sheet

(2) North Carolina Department of Commerce. Numbers are for Wake County, separate figures for the Town are not available.

TOWN OF KNIGHTDALE, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago

Table 18

Employer	2024			Rank	2015			Rank
	Employment Range				Employment Range			
Wake County Public School System, <i>All Knightdale Locations</i>	650	-	700	1	500	-	550	1
Wal-Mart Store #1816	150	-	200	2	150	-	200	3
Target	150	-	200	2	150	-	200	3
Wake Stone	150	-	200	2				
Eby-Brown	150	-	150	5				
Town of Knightdale	145	-	155	6				
Lowe's Home Improvement	125	-	150	7	125	-	150	5
Lowe's Foods	100	-	125	8	75	-	100	9
Best Buy	100	-	125	8				
Weathermaster Heating & Air	90	-	100	10	75	-	100	9
Schneider Electric					450	-	500	2
Home Depot					125	-	150	5
The Green land Care, LLC					100	-	125	7
Electronic System Protection					100	-	125	7

Notes:

Data obtained from the Town of Knightdale Development Services Department and the North Carolina Commerce Department.

TOWN OF KNIGHTDALE, NORTH CAROLINA**Commercial Activity**

Last Ten Calendar Years

Table 19

Building Permits (1)

Calendar Year	All Commercial		New Residential		Total	
	Number	Value	Number	Value	Number	Value
2014	51	\$ 3,054,938	135	\$ 25,878,037	186	\$ 28,932,975
2015	70	16,426,116	215	43,877,276	285	60,303,392
2016	112	38,441,256	222	42,174,824	334	80,616,080
2017	112	38,855,235	255	50,777,123	367	89,632,358
2018	84	20,493,178	156	33,722,628	240	54,215,806
2019	127	28,024,617	65	38,440,141	192	66,464,758
2020	81	17,256,240	106	19,731,390	187	36,987,630
2021	99	46,208,830	150	33,421,333	249	79,630,163
2022	92	66,304,667	207	48,702,432	299	115,007,099
2023	147	88,242,443	272	55,368,027	419	143,610,470

Notes:

(1) Compiled by the Town of Knightdale Development Services Department. Residential does not include alterations or additions.





This section includes information relating to federal and state financial assistance, in conformity with the provisions of Government Auditing Standards, published by the General Accounting Office. Included are a schedule of federal and state financial assistance, and the auditor's report on compliance with requirements applicable to each major Federal program and on the internal control structure and compliance with applicable laws and regulations.

COMPLIANCE SECTION



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

To the Honorable Mayor and
Members of Town Council
Town of Knightdale, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Knightdale, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprises the Town of Knightdale's basic financial statements, and have issued our report thereon dated November 5, 2024.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Knightdale's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and,

accordingly, we do not express such an opinion. The results of our tests disclosed 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 our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Joyce and Company, CPA
Cary, North Carolina

November 5, 2024

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance: With OMB Uniform Guidance
and the State Single Audit Implementation Act**

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Town of Knightdale, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Town of Knightdale 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 federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rule and provisions of contracts or grant agreements applicable to the Town of Knightdale's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Knightdale's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and 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 the Town of Knightdale's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Knightdale's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Knightdale'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 the Town of Knightdale's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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


JOYCE AND COMPANY, CPA
Cary, North Carolina

November 5, 2024

TOWN OF KNIGHTDALE, 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 deficiency (s) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Names of Federal Program or Cluster</u>
20.205	Congestion Mitigation and Air Quality

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

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as a low-risk auditee X yes _____ no

State Awards

The Town of Knightdale has no major state programs.

Section II. Financial Statement Findings

None.

Section III. Federal Award Findings and Questioned Costs

None.

Section IV. State Award Findings and Questioned Costs

None.

Town of Knightdale, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2024

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal Direct and Pass-Through Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Grants:					
Cash Programs:					
<u>United States Department of Justice</u>					
Direct Program					
Bulletproof Vest Partnership	16.607	N/A	\$ 1,293	\$ -	\$ 1,293
<u>United States Department of Transportation</u>					
Safe Streets for All - Safety Action Plan	20.939	693JJ32340272	99,600	-	24,900
Congestion Mitigation and Air Quality LAPP/CAMPO Mingo Creek Greenway Extension	20.205	C-5604HA	2,522,242	-	630,560
<u>United States Department of Treasury</u>					
Passed-through the Office of State Budget and Management:					
NC Pandemic Recovery Office					
Passed-through Wake County:					
Coronavirus State and Local Fiscal Recovery Funds	21.027	NC0237	136,718	-	-
Total assistance-federal programs			2,759,853	-	656,753
State Grants:					
Cash Programs:					
<u>North Carolina Department of Transportation</u>					
Non-State System Street-Aid Allocation					
Powell Bill	N/A	32570	-	70,527	-
Total federal and state assistance			\$ 2,759,853	\$ 70,527	\$ 656,753

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Basis of Presentation -The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of the Town of Knightdale under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of the Town of Knightdale, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Knightdale.

Summary of Significant Accounting Policies Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town of Knightdale has elected not to use the 10-percent de minimis cost rate as allowed under the Uniform Guidance.



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