



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***For Fiscal Year Ended
June 30, 2020***

***Prepared and Issued by:
City of Statesville Finance Department***

***Christopher Tucker
Finance Director***

CITY OF STATESVILLE, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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INTRODUCTORY SECTION

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January 28, 2021

The Honorable Mayor, City Council, and the
Citizens of the City of Statesville, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Statesville for the fiscal year ended June 30, 2020. The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. We believe the data is presented in a manner designed to set forth fairly the financial position and results of operations for the City of Statesville for fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the City of Statesville. Consequently, management assumes full 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 City of Statesville 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 City of Statesville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Statesville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Statesville's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A. of Hickory, North Carolina, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Statesville for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Statesville's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management is required by GAAP to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Statesville's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Statesville, North Carolina is located in the central position of Iredell County in the Midwestern part of the State approximately 45 miles north of Charlotte and approximately 40 miles west of Winston-Salem. The City of Statesville is Iredell County's second largest city and is the county seat.

The City of Statesville has a unique and interesting history in its more than 225 years of existence. On December 19, 1789, the North Carolina General Assembly created the Town of Statesville, primarily because of its central location in Iredell County and western North Carolina. The City of Statesville was formally incorporated on January 9, 1847 as the area began to grow in number and prosperity. The City of Statesville is empowered to levy a property tax on both real and personal properties located within its municipal boundaries. The City of Statesville currently has a land area of 24.5 square miles and a population of nearly 26,000 citizens.

The City of Statesville has operated under the Council/Manager form of government since 1949. The Mayor and eight council members are elected on a non-partisan basis with six council members elected from wards and two elected at-large. All nine elected officials serve four-year staggered terms. Policy-making and legislative authority are vested in the City Council. Other major duties of the City Council include adopting an annual budget, establishing the annual property tax rate, enacting local ordinances and appointing the City Manager and members of various boards and commissions. In addition, the City Council has the authority to call for bond referenda and enter into contracts.

The City Manager serves at the pleasure of the City Council and is responsible for daily municipal operations, including preparation of the annual budget and appointment of employees. The City Manager supervises and coordinates the activities of the city's departments, attends City Council meetings, and makes recommendations on appropriate matters of business. The City Manager is responsible for implementing the policies of the City Council, advises the City Council on the financial condition of the city, and represents the city in business with other parties.

The City of Statesville provides a wide range of services, including police and fire protection; construction and maintenance of streets and sidewalks and other infrastructure; recreational activities and cultural events; sanitation collection; planning and community development; and general administration. In addition, the City owns and operates an airport, electric, stormwater and water/sewer utilities, and a Civic Center. This report includes all of the City's financial activities in providing these services.

As required by GAAP, the City's financial statements present all of the financial activities of the primary government (City of Statesville) and its two component units, legally separate entities for which the City is financially accountable. The City Council appoints members of the Alcoholic Beverage Control Board and the Statesville Convention and Visitors Bureau. However, the City does not participate in the managerial control of operations of either organization. These organizations are included as discretely presented component units in the financial statements.

The annual budget serves as the foundation for the City of Statesville's financial planning and control. As required by North Carolina General Statutes, the departments of the City are required to submit requests for appropriations to the City Manager no later than April 30 each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager presents a proposed budget to the City Council for review no later than June 1. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than July 1. The appropriated budget is prepared by fund and department. Budgets are legally enacted by adoption of the governing board of an annual budget ordinance or a project ordinance.

Letter of Transmittal

The annual budget ordinance and project ordinances may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. The City Manager is authorized to reallocate departmental appropriations as he deems necessary, and he may transfer appropriations between departments of the same fund with an official report to the governing board on such transfers. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A project ordinance is used to establish a budget for a project that extends over more than one fiscal year. Project length budget-to-actual comparisons for each governmental fund, for which a project length budget has been adopted, is also included in this report.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Outstanding encumbrances are collapsed under stabilization by state statute and as such a part of restricted fund balance.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Statesville operates.

Local Economy

Statesville is home to a wide range of businesses from high-tech manufacturing to distribution and service industries and was well-positioned to benefit from the economic recovery and return to a stable economic base. At June 30, 2020, the unemployment rate in Iredell County rose to 14.2%.

The City's economy also benefits from its exceptional transportation access with Interstates 77 and 40 connecting within its boundaries. Statesville's close proximity to Charlotte and Greensboro and their international Airports attracts progressive businesses to the area's many industrial sites. Rail lines and Statesville's own growing regional Airport provide additional transportation options.

A variety of industrial and business parks and sites throughout the City provide focus points for economic development. The City has an effective economic development policy for recruitment of business and industry to Statesville and partners with the Statesville Regional Development Corporation to assist companies investigating new operations or expansions in the area.

Over the past several years, several significant grants were awarded to the Statesville Regional Airport. These grants are being used for capital improvement projects including construction of a new southeast parallel taxiway, a glideslope and localizer project, and land acquisition. City leaders believe these Airport improvements will continue to create economic development opportunities for the City and Iredell County.

Additionally, the City's Water and Sewer Fund projects continue to amplify the City's stance of preparing for growth. A new regional business park in the southern area of the City is expected to be a sizeable water and sewer user.

Long-term Financial Planning

The City follows the statutory provisions of the Local Government Budget and Fiscal Control Act in developing its annual budget. The City maintains an unassigned fund balance in the General Fund above the minimum level required by the North Carolina Local Government Commission of eight (8) percent; historically the City's unassigned fund balance in the General Fund is well above the average of cities in the same population group and above the statewide average for all municipalities. This level of fund balance aids in maintaining adequate cash flows, generates interest income, provides for the use of a pay-as-you-go capital policy, eliminates the need for short-term borrowing, and maintains investment grade bond ratings.

The City maintains a capital reserve fund to accumulate resources for major capital outlays. The City's capital improvement program (CIP) is a six-year plan for capital equipment and improvements. Each year, the City Council adopts a CIP to identify and prioritize the capital needs of the City during the upcoming fiscal year, plus five (5) planning years. The City avoids borrowing for capital outlays by maintaining a pay-as-you-go policy and multi-year planning enables the City to use the pay-as-you-go approach in providing for capital outlay needs in most cases.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Statesville, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twenty-ninth consecutive year that the City of Statesville has received this prestigious award.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The City of Statesville also received GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning July 1, 2019. This was the eighteenth consecutive year that the City of Statesville has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Letter of Transmittal

The preparation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. We also appreciate the cooperation and assistance of other City departments. We would also like to express our appreciation to the Mayor and City Council for their continued support and leadership in conducting the financial activities of the City in a responsible manner.

Respectfully submitted,

A handwritten signature in black ink that reads "Ron Smith". The letters are cursive and fluid.

Ron Smith
City Manager

A handwritten signature in black ink that reads "Christopher Tucker". The signature is written in a cursive style with a long horizontal flourish at the end.

Christopher Tucker
Finance Director

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CITY OF STATESVILLE, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2020

Elected Officials – City Council

Mayor..... Constantine H. Kutteh
Mayor Pro Tem..... William P. Morgan
Council Member – At Large Steve Johnson
Council Member – Ward 1David Jones.
Council Member – Ward 2 C.O. Johnson
Council Member – Ward 3 Doris Allison
Council Member – Ward 4 Amy Lawton
Council Member – Ward 5 John Staford
Council Member – Ward 6 Frederick Foster

Council Appointed Officials

City Manager Ron Smith, ICMA-CM
City Attorney..... Leah Gaines Messick

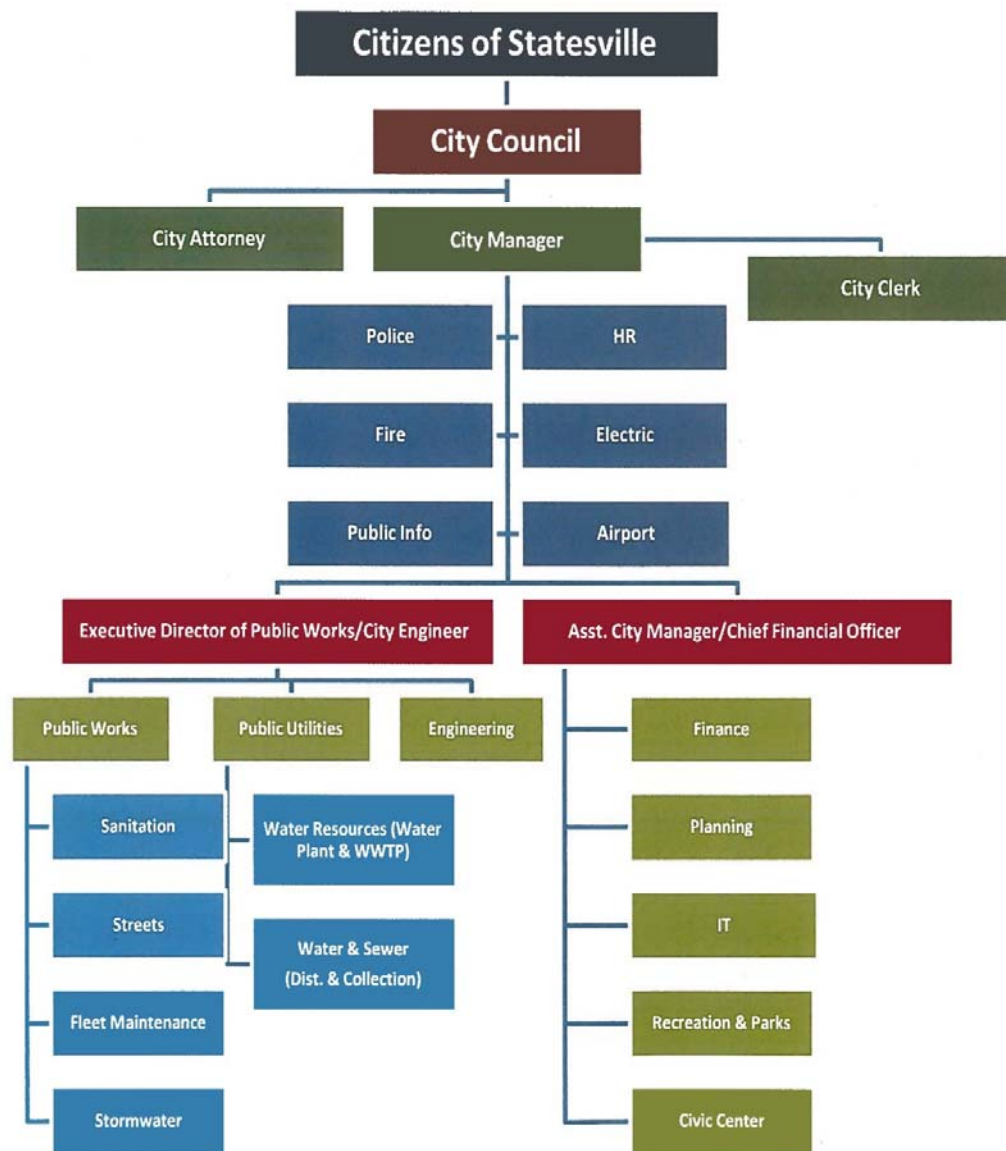
City Staff

Assistant City Manager Ralph Staley, CPA
Executive Director of Public Works & Utilities Scott Harrell, PE
City Clerk Brenda J. Fugett
Finance DirectorChristopher Tucker, NCCLGFO
Human Resources DirectorMildred Minor
Information Technology Director Nikki L. Gregory, CGCIO
Public Works Director Mark Taylor, PE
Planning Director Sherry Ashley, AICP

CITY OF STATESVILLE, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2020

City Staff (continued)

Police Chief.....Chief David W. Addison, Esq.
Fire Chief..... Chief Andy Weatherman
Recreation and Parks Director Richard E. Griggs
Airport Manager John M. Ferguson, AAE
Electric Utility Director John M. Maclaga, PE
Public Utilities Director William E. Vaughan, PE
Civic Center Director..... Kenny Roberts





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Statesville
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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

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

Independent Auditors' Report

The Honorable Mayor and
Members of the City Council
City of Statesville
Statesville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Statesville, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for 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 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Statesville ABC Board, which represents 93.24 percent, 87.42 percent, and 97.57 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor, whose report has been furnished to us and, our opinion, insofar as it relates to the amounts included for the City of Statesville ABC Board, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. The financial statements of the Statesville Convention & Visitors Bureau and the City of Statesville ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Statesville, North Carolina, as of June 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Statesville's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, and statistical tables, 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, Costs Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the City of Statesville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City of Statesville's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
January 28, 2021

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CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

As management of the City of Statesville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Statesville for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the City of Statesville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$246,641,708 (*net position*).
- The City's total net position increased by \$18,706,966, due to the operating results of the City's governmental activities increasing by \$2,458,083 and the City's business-type activities increasing by \$16,248,883.
- As of the close of the current fiscal year, the City of Statesville's governmental funds reported combined ending fund balances of \$31,598,567, an increase of \$1,863,695 from the prior year. Approximately 56.27% of this total amount, or \$17,780,396, is available for spending at the City Council's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,793,082, or 51.35%, of total General Fund expenditures and transfers out.
- The City of Statesville's total debt increased by \$3,636,935 during the current fiscal year. The increase is the net result of the City's principal payments of \$3,087,226 against \$6,724,161 of new debt. The debt addition consists of \$1,250,000 for a new fire truck and \$5,474,161 as an interfund loan for the purchase of the Airport FBO.
- The City of Statesville has no outstanding bonded debt and therefore has no current bond rating.

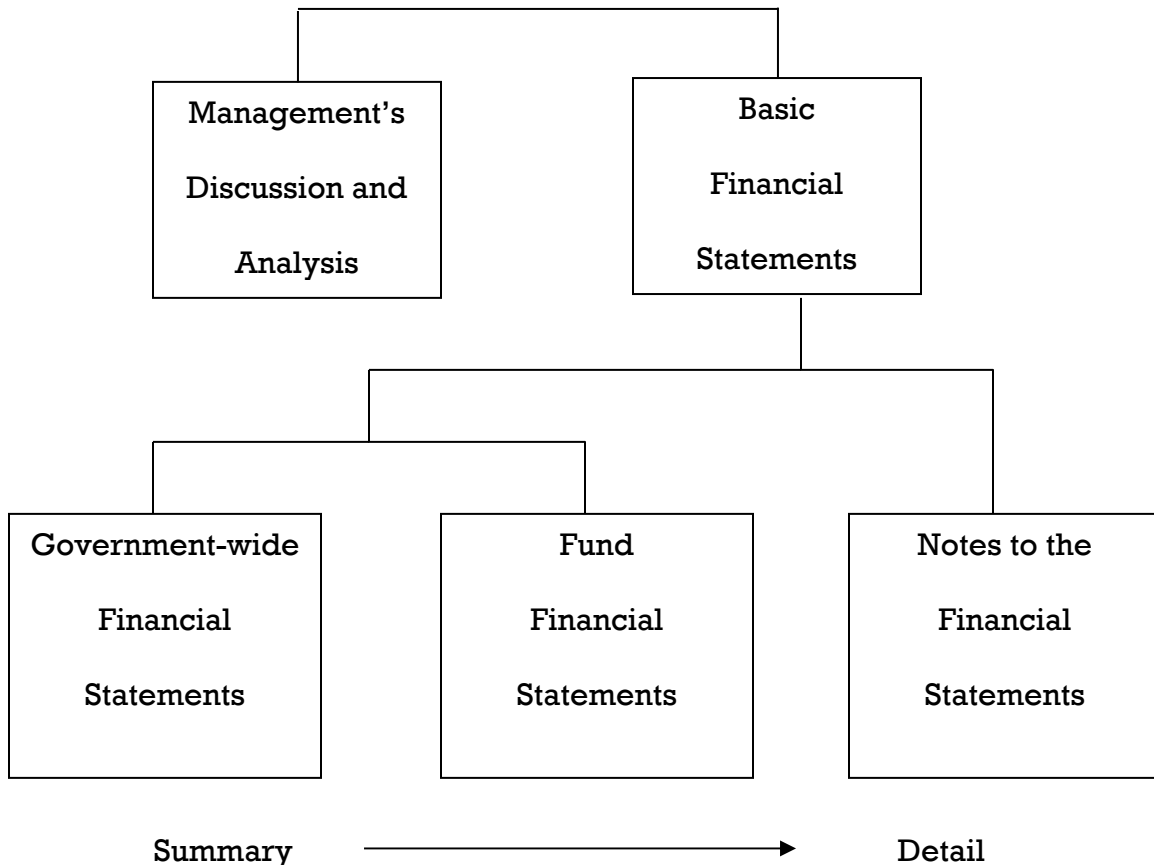
Overview of the Financial Statements

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

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Required Components of Annual Financial Reports

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Government-Wide Financial Statements

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

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

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

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Statesville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All funds of the City of Statesville can be divided into two categories: governmental funds and proprietary funds.

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

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

The City of Statesville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the 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. The difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds - The City of Statesville has two different kinds of proprietary funds. *Business-type Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses business-type funds to account for its airport operations, electric services, water and sewer services, stormwater services and its civic center operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City of Statesville. The City uses one internal service fund to account for three activities - employee health insurance, worker's compensation, and property and casualty liability insurance costs. Because the associated costs are predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. City of Statesville has one fiduciary fund, a Donation Fund to account for City customers who wish to donate funds to help those who are need of utility payment support. More information about these funds can be obtained in the notes of the financial statements.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and are located after Exhibit 10 in the basic financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Statesville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information is located after the notes to the financial statements.

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

City of Statesville's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 37,223,579	\$ 34,945,036	\$ 72,609,679	\$ 58,455,835	\$ 109,833,258	\$ 93,400,871
Capital Assets	46,321,100	44,745,394	141,584,766	136,376,010	187,905,866	181,121,404
Total Assets	83,544,679	79,690,430	214,194,445	194,831,845	297,739,124	274,522,275
Deferred Outflows of Resources	4,202,242	4,634,705	1,174,248	1,360,571	5,376,490	5,995,276
Current Liabilities	4,143,326	5,675,754	10,020,557	10,697,871	14,163,883	16,373,625
Long Term Liabilities	12,193,649	9,667,903	29,294,192	25,707,797	41,487,841	35,375,700
Total Liabilities	16,336,975	15,343,657	39,314,749	36,405,668	55,651,724	51,749,325
Deferred Inflows of Resources	636,819	666,434	185,363	167,050	822,182	833,484
Net Position:						
Net Investment in Capital Assets	44,371,100	43,150,694	118,458,550	111,057,267	162,829,650	154,207,961
Restricted	6,273,851	6,965,448	-	-	6,273,851	6,965,448
Unrestricted	20,128,176	18,198,902	57,410,031	48,562,431	77,538,207	66,761,333
Total Net Position	\$ 70,773,127	\$ 68,315,044	\$ 175,868,581	\$ 159,619,698	\$ 246,641,708	\$ 227,934,742

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Statesville exceeded liabilities and deferred inflows by \$246,641,708 as of June 30, 2020. The City's net position increased by \$18,706,966 for the fiscal year ended June 30, 2020. However, the largest portion of net position \$162,829,650 (66.02%) reflects the City'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 and restricted assets. The City of Statesville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Statesville's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Statesville's net position \$6,273,851 (2.54%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$77,538,207 (31.44%) is unrestricted.

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

City of Statesville Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
<i>Program Revenues</i>						
Charges for Services	\$ 3,095,885	\$ 3,330,714	\$ 69,530,087	\$ 64,699,060	\$ 72,625,972	\$ 68,029,774
Operating Grants and Contributions	790,583	698,158	-	-	790,583	698,158
Capital Grants and Contributions	732,263	736,939	3,891,131	6,777,290	4,623,394	7,514,229
<i>General Revenues</i>						
Ad Valorem Taxes	18,090,106	15,012,204	-	-	18,090,106	15,012,204
Other Taxes and State Shared Revenues	10,513,324	10,201,195	-	-	10,513,324	10,201,195
Investment Earnings	386,117	724,350	748,424	1,166,154	1,134,541	1,890,504
Miscellaneous Revenues	529,825	363,732	-	-	529,825	363,732
Total Revenues	34,138,103	31,067,292	74,169,642	72,642,504	108,307,745	103,709,796
EXPENSES:						
General Government	4,220,031	4,754,090	-	-	4,220,031	4,754,090
Public Safety	17,029,794	15,031,704	-	-	17,029,794	15,031,704
Transportation	2,733,505	3,747,862	-	-	2,733,505	3,747,862
Economic and Physical Development	264,074	432,903	-	-	264,074	432,903
Environmental Protection	2,083,415	1,975,892	-	-	2,083,415	1,975,892
Cultural and Recreation	3,989,425	4,124,134	-	-	3,989,425	4,124,134
Interest on Long-Term Debt	82,483	76,688	-	-	82,483	76,688
Airport	-	-	3,110,809	2,156,005	3,110,809	2,156,005
Electric	-	-	41,112,400	42,392,127	41,112,400	42,392,127
Water/Sewer	-	-	12,829,316	11,912,217	12,829,316	11,912,217
Stormwater	-	-	857,177	-	857,177	-
Civic Center	-	-	1,288,350	1,047,354	1,288,350	1,047,354
Total Expenses	30,402,727	30,143,273	59,198,052	57,507,703	89,600,779	87,650,976
Change in Net Position before Transfers and Special Items	3,735,376	924,019	14,971,590	15,134,801	18,706,966	16,058,820
Transfers In (Out)	(1,277,293)	(116,799)	1,277,293	116,799	-	-
Change in Net Position	2,458,083	807,220	16,248,883	15,251,600	18,706,966	16,058,820
Net Position, Beginning	68,315,044	67,507,824	159,619,698	144,368,098	227,934,742	211,875,922
Net Position, Ending	<u>\$ 70,773,127</u>	<u>\$ 68,315,044</u>	<u>\$ 175,868,581</u>	<u>\$ 159,619,698</u>	<u>\$ 246,641,708</u>	<u>\$ 227,934,742</u>

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Governmental Activities - The City's total net position from Governmental Activities increased by \$2,458,083

- Revenues from Ad Valorem Taxes, the City's main source of Govt. Activity revenue, increased by \$3,077,902, or 20.5%, from the prior year due to a tax rate increase city wide of \$.0667 and growth in the city's tax base.
- Revenues from all Govt. Activities increased by \$3,009,743, while expenses only increased by \$312,560.
- Earnings on investments decreased by \$338,233 compared to the prior year.
- Transfers Out totaled \$1,277,293.

Business-Type Activities - The City's total net position from Business-Type Activities increased by \$16,248,883.

- Revenues for business-type activities from charges for services increased by \$4,830,819, or 7.47%, which resulted in the largest increase in revenues for business-type activities. However, other Business-Type Revenues from grants and investment earnings decreased by \$3,303,889 or 41.59%.
- Expenses for business-type activities increased by \$1,553,495, or 2.70.
- Transfers In totaled \$1,277,293.

Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City of Statesville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City'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.

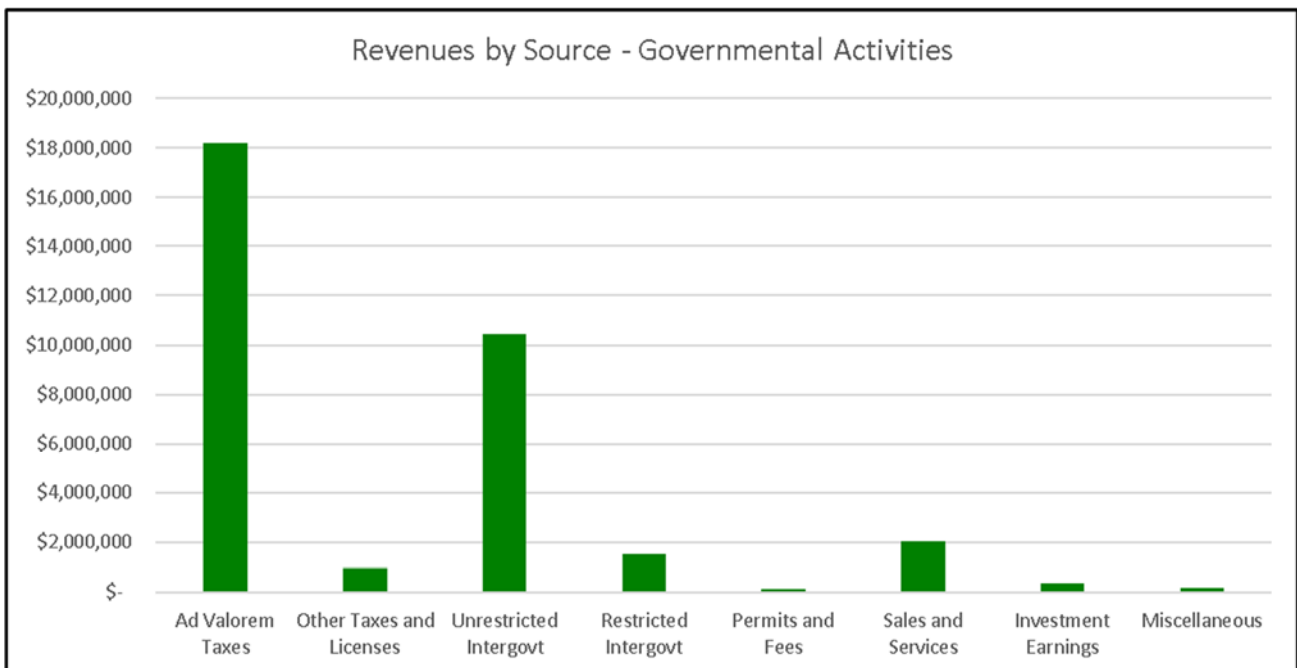
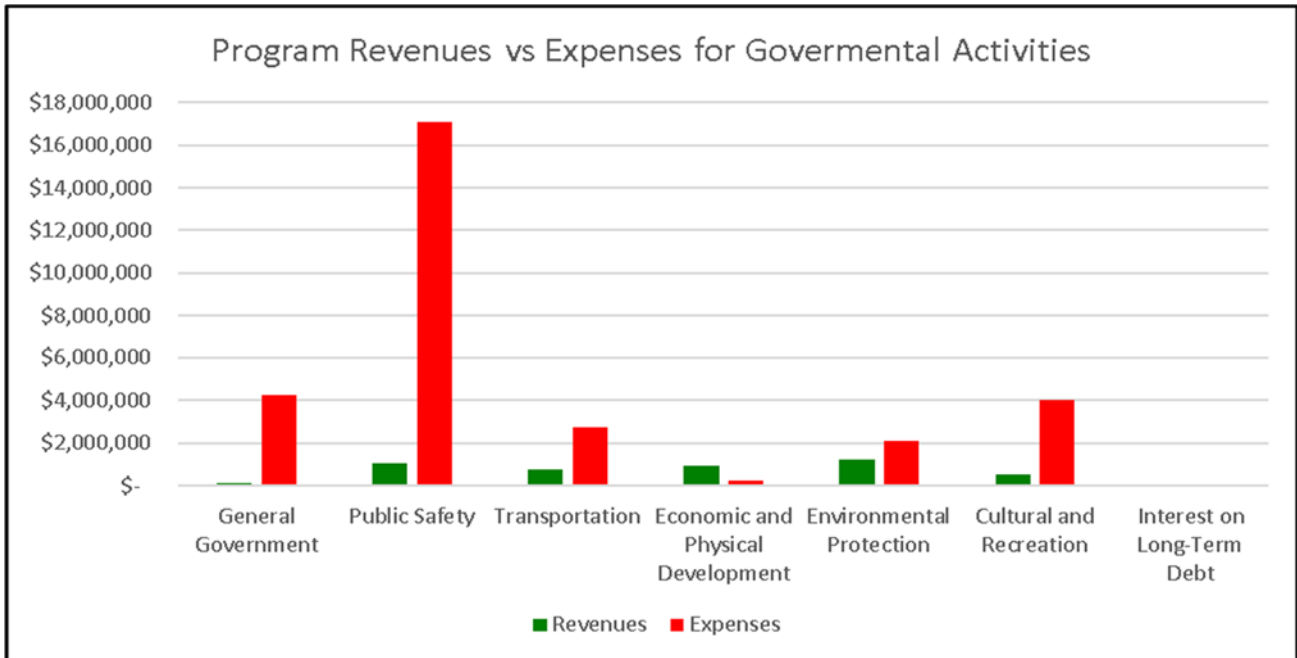
At June 30, 2020, the governmental funds of the City of Statesville reported a combined fund balance of \$31,598,567; an increase of 6.27% from last fiscal year.

The General Fund is the chief operating fund of the City of Statesville. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$17,793,082 while total fund balance was \$24,802,140; an increase of \$3,538,057 from prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.35% of total General Fund expenditures including any transfers out other funds. Total fund balance represents 71.58% of total General Fund expenditures including any transfers out other funds.

General Fund Budgetary Highlights - During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Significant highlights of the General Fund as presented on a modified accrual basis are:

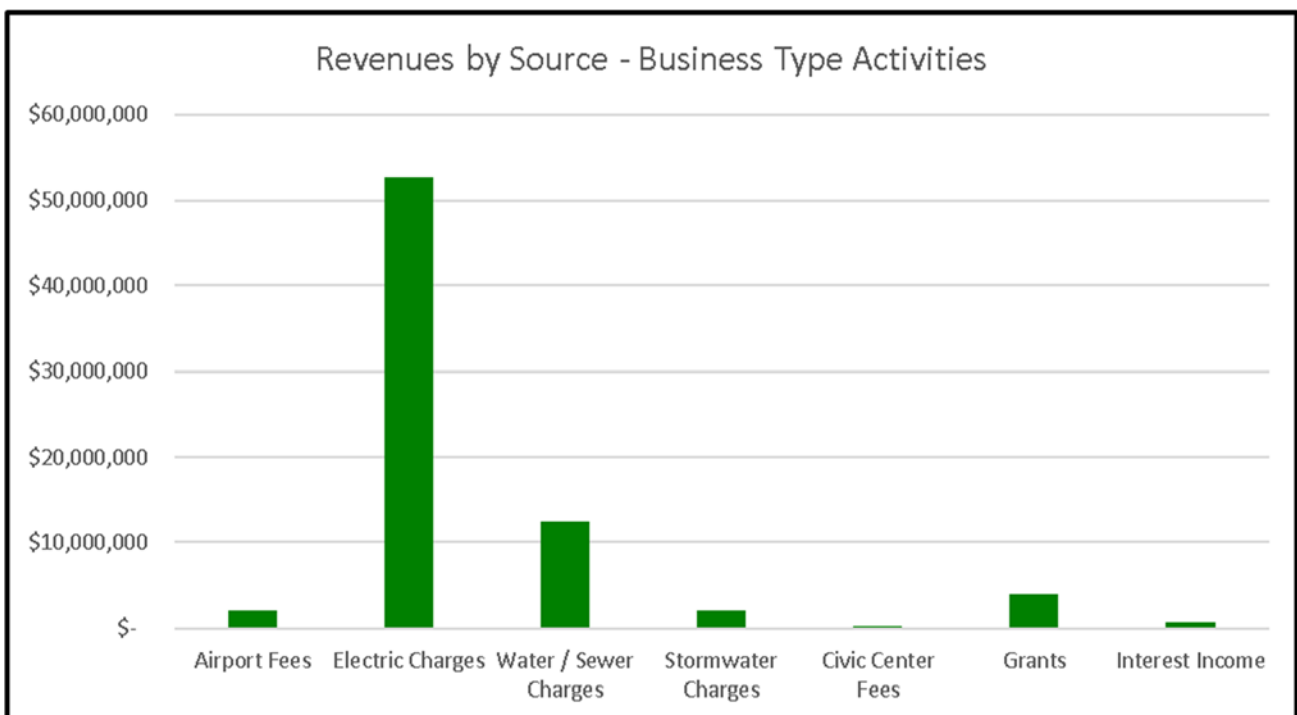
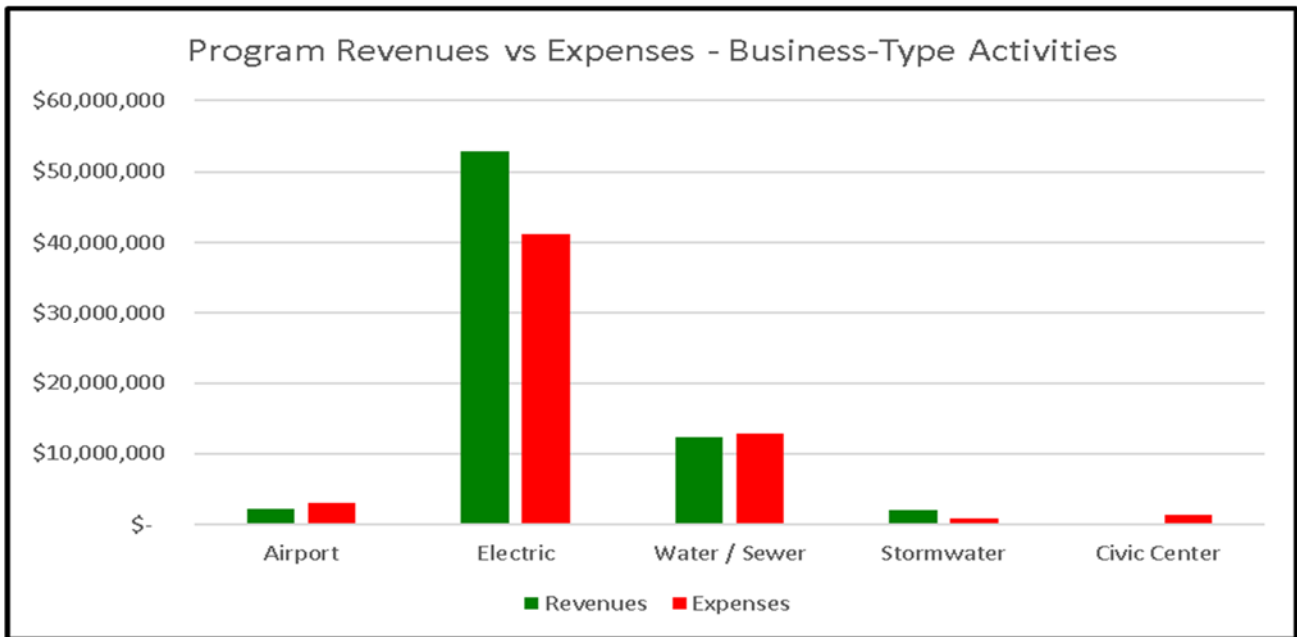
- General Fund expenditures exceeded revenues by \$1,971,347 before any transfers.
- Ad valorem tax revenues of \$18,185,140 exceeded budget estimates by \$353,928
- Unrestricted intergovt. revenues of \$10,464,623 exceeded budget estimates by \$677,699
- Other General Fund revenues of \$3,990,995 fell short of budget estimates by \$385,667
- Expenditures were \$7,575,538 lower than budget appropriation.

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Proprietary Funds - The City of Statesville's proprietary fund statements provide additional information than found in the government-wide statements. For the fiscal year, the net position improved for all proprietary funds. At the end of the fiscal year, the unrestricted net position for the Airport Fund is \$2,160,221; Electric Fund is \$41,069,223; the Water and Sewer Fund is \$17,524,892; the Civic Center Fund is \$2,003,251; and the Stormwater Fund is \$1,149,861.



CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Capital Asset and Debt Administration

Capital Assets - The City of Statesville's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$187,905,866 (net of accumulated depreciation). These assets include buildings, utility systems infrastructure, land, roads, machinery and equipment, park facilities, and vehicles.

City of Statesville's Capital Assets
(Net of depreciation)
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 11,331,022	\$ 11,331,022	\$ 16,387,319	\$ 16,277,200	\$ 27,718,341	\$ 27,608,222
Buildings & Other Imp.	26,732,230	27,913,800	21,365,607	22,254,663	48,097,837	50,168,463
Utility Plant in Service	-	-	85,205,822	85,561,426	85,205,822	85,561,426
Vehicles	6,546,145	4,584,461	4,828,763	3,959,863	11,374,908	8,544,324
Construction in Progress	1,711,703	916,111	13,797,255	8,322,858	15,508,958	9,238,969
Total	\$ 46,321,100	\$ 44,745,394	\$ 141,584,766	\$ 136,376,010	\$ 187,905,866	\$ 181,121,404

Figure 4 is net of accumulated depreciation. Additional information on the City's capital assets can be found in the financial notes on pages 41-44.

Long-Term Debt - As of June 30, 2020, the City of Statesville had no general obligation bonded debt outstanding. The City's debt represents notes payable totaling \$30,550,377, compensated absences for \$3,212,178 and actuary estimates for public employee pensions (LGERS) of \$7,860,141, other benefits (OPEB) of \$1,736,228, and law enforcement separation supplemental retirement (LEOSSA) of \$2,468,072. Actuary estimates are subject to change whereas the notes payable and compensated absences are known City obligations.

City of Statesville's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Notes Payable from Direct Borrowings or Placements	\$ 1,950,000	\$ 1,594,700	\$ 23,126,216	\$ 25,318,743	\$ 25,076,216	\$ 26,913,443
Compensated Absences	2,380,228	2,313,931	831,950	732,716	3,212,178	3,046,647
OPEB and other benefit debt	1,318,791	1,263,092	417,437	398,873	1,736,228	1,661,965
LGERS pension related debt	5,890,404	5,305,490	1,969,737	1,774,765	7,860,141	7,080,255
LEOSSA pension related debt	2,468,072	2,306,764	-	-	2,468,072	2,306,764
Total	\$ 14,007,495	\$ 12,783,977	\$ 26,345,340	\$ 28,225,097	\$ 40,352,835	\$ 41,009,074

CITY OF STATESVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

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 City of Statesville as of June 30, 2020 is \$262,115,000. As stated earlier, the City of Statesville does not have any outstanding bonded debt being supported by property taxes.

Economic Factors and Next Year's Budget and Rates

- Due to the COVID-19 pandemic, revenue estimates contained in the City of Statesville's 2020-2021 operating and capital budget were developed on an extremely conservative basis.
- Due to the COVID-19 pandemic, the City did not increase its tax rate.
- Water rates were increased by 3.0% and sewer rate were increased 3.5% effective July 1, 2020 to provide for operations, capital and debt service obligations in the coming years due to major expansion projects at the City's sewer plants.
- The City expects a second distribution of working capital from Electricities, due to positive financial conditions from the Catawba nuclear plant.

Request for Information - This report is designed to provide an accurate and transparent overview of the City's finances for any stakeholder 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:

Finance Department
City of Statesville
P.O. Box 1111
Statesville, NC 28687-1111

(704) 878-3592

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BASIC FINANCIAL STATEMENTS

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CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Convention & Visitors Bureau	Alcoholic Control Board
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 31,493,528	\$ 53,197,551	\$ 84,691,079	\$ 212,174	\$ 1,031,466
Tax receivables, net	108,968	-	108,968	-	-
Receivables, net	486,421	9,555,573	10,041,994	-	-
Internal balances	1,023,256	(1,023,256)	-	-	-
Interest receivable	55,498	93,209	148,707	-	-
Due from other governments	3,715,505	1,790,415	5,505,920	-	-
Due from other component units	158,330	-	158,330	-	-
Inventories	15,859	2,320,170	2,336,029	-	568,777
Prepaid items	10,579	-	10,579	400	-
Restricted cash and cash equivalents	155,635	1,201,856	1,357,491	-	-
Total current assets	37,223,579	67,135,518	104,359,097	212,574	1,600,243
Non-current assets:					
Capital assets:					
Land and other nondepreciable assets	13,042,725	30,184,574	43,227,299	-	235,050
Depreciable assets, net	33,278,375	111,400,192	144,678,567	-	1,098,890
Total capital assets	46,321,100	141,584,766	187,905,866	-	1,333,940
Total assets	83,544,679	208,720,284	292,264,963	212,574	2,934,183
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	4,014,476	1,129,611	5,144,087	-	27,073
OPEB deferrals	187,766	44,637	232,403	-	-
Total deferred outflows of resources	4,202,242	1,174,248	5,376,490	-	27,073
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	2,281,560	5,817,365	8,098,925	373	437,428
Accrued interest payable	41,108	72,749	113,857	-	-
Due to primary government	-	-	-	-	158,330
Due to other governments	-	367,638	367,638	-	189,471
Prepaid fees	-	35,640	35,640	-	-
Liabilities payable from restricted assets - deposits	6,812	1,201,856	1,208,668	-	-
Compensated absences - current	952,091	332,783	1,284,874	-	-
Long term debt - current	861,755	2,192,526	3,054,281	-	575,257
Total current liabilities	4,143,326	10,020,557	14,163,883	373	1,360,486
Long-term liabilities:					
Net pension liability - LGERS	5,890,404	1,969,737	7,860,141	-	83,840
Total LEO pension liability	2,468,072	-	2,468,072	-	-
Total OPEB liability	1,318,791	417,437	1,736,228	-	-
Compensated absences - non-current	1,428,137	499,167	1,927,304	-	-
Long term debt - non-current	1,088,245	20,933,690	22,021,935	-	42,120
Total long-term liabilities	12,193,649	23,820,031	36,013,680	-	125,960
Total liabilities	16,336,975	33,840,588	50,177,563	373	1,486,446
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	1,956	-	1,956	-	-
Pension deferrals	149,760	23,662	173,422	-	-
OPEB deferrals	485,103	161,701	646,804	-	-
Total deferred inflows of resources	636,819	185,363	822,182	-	-
NET POSITION					
Net investment in capital assets	44,371,100	118,453,550	162,829,650	-	758,683
Restricted for:					
Stabilization by state statute	5,584,027	-	5,584,027	-	-
Transportation	148,823	-	148,823	-	-
Public safety	242,217	-	242,217	-	-
Economic development	298,784	-	298,784	212,201	-
Minimum working capital	-	-	-	-	219,525
Unrestricted	20,128,176	57,410,031	77,538,207	-	496,602
Total net position	\$ 70,773,127	\$ 175,868,581	\$ 246,641,708	\$ 212,201	\$ 1,474,810

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	4,220,031	82,695	19,761	-
Public safety	17,029,794	326,367	751,276	-
Transportation	2,733,505	-	-	732,263
Economic and physical development	264,074	935,586	-	-
Environmental protection	2,083,415	1,217,182	19,546	-
Cultural and recreation	3,989,425	534,055	-	-
Debt service:				
Interest on long-term debt	82,483	-	-	-
Total governmental activities	<u>30,402,727</u>	<u>3,095,885</u>	<u>790,583</u>	<u>732,263</u>
Business-Type Activities:				
Airport	3,129,855	2,128,442	-	3,941,759
Electric	41,112,400	52,805,912	-	-
Water and sewer	12,829,316	12,318,584	-	(50,628)
Stormwater	857,177	2,014,741	-	-
Civic Center	1,288,350	262,408	-	-
Total business-type activities	<u>59,217,098</u>	<u>69,530,087</u>	<u>-</u>	<u>3,891,131</u>
Total primary government	<u>\$ 89,619,825</u>	<u>\$ 72,625,972</u>	<u>\$ 790,583</u>	<u>\$ 4,623,394</u>
Component Units:				
Convention & Visitors Bureau	167,637	-	183,286	-
Alcoholic Beverage Control Board	7,287,986	7,417,477	-	-
Total component units	<u>\$ 7,455,623</u>	<u>\$ 7,417,477</u>	<u>\$ 183,286</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Convention & Visitors Bureau	Alcoholic Beverage Control Board
Primary Government:					
Governmental Activities:					
General government	(4,117,575)	-	(4,117,575)	-	-
Public safety	(15,952,151)	-	(15,952,151)	-	-
Transportation	(2,001,242)	-	(2,001,242)	-	-
Economic and physical development	671,512	-	671,512	-	-
Environmental protection	(846,687)	-	(846,687)	-	-
Cultural and recreation	(3,455,370)	-	(3,455,370)	-	-
Debt service:					
Interest on long-term debt	(82,483)	-	(82,483)	-	-
Total governmental activities	(25,783,996)	-	(25,783,996)	-	-
Business-Type Activities:					
Airport	-	2,940,346	2,940,346	-	-
Electric	-	11,693,512	11,693,512	-	-
Water and sewer	-	(561,360)	(561,360)	-	-
Stormwater	-	1,157,564	1,157,564	-	-
Civic Center	-	(1,025,942)	(1,025,942)	-	-
Total business-type activities	-	14,204,120	14,204,120	-	-
Total primary government	-	14,204,120	(11,579,876)	-	-
Component Units:					
Convention & Visitors Bureau				15,649	-
Alcoholic Beverage Control Board				-	129,491
Total component units				15,649	129,491
General Revenues:					
Ad valorem taxes	18,090,106	-	18,090,106	-	-
Other taxes	48,701	-	48,701	-	-
State share franchise, telecommunication video & liquor taxes	10,464,623	-	10,464,623	-	-
Interest earned on investments	386,117	767,470	1,153,587	1,291	7,454
Miscellaneous revenue	529,825	-	529,825	-	-
Total general revenues not including transfers	29,519,372	767,470	30,286,842	1,291	7,454
Total transfers in (out)	(1,277,293)	1,277,293	-	-	-
Change in net position	2,458,083	16,248,883	18,706,966	16,940	136,945
Net position, beginning of year	68,315,044	159,619,698	227,934,742	195,261	1,337,865
Net position, end of year	<u>\$ 70,773,127</u>	<u>\$ 175,868,581</u>	<u>\$ 246,641,708</u>	<u>\$ 212,201</u>	<u>\$ 1,474,810</u>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major	Non-Major	Total
	General	Other Governmental Funds	Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 22,286,576	\$ 6,765,704	\$ 29,052,280
Ad valorem taxes receivable, net	108,968	-	108,968
Accounts receivable, net	57,077	423,502	480,579
Interest receivable	37,562	13,860	51,422
Due from other governments	3,646,942	68,563	3,715,505
Due from other component units	158,330	-	158,330
Inventories	15,859	-	15,859
Prepays	9,212	-	9,212
Restricted cash and cash equivalents	155,635	-	155,635
Total assets	<u>\$ 26,476,161</u>	<u>\$ 7,271,629</u>	<u>\$ 33,747,790</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,419,786	\$ 32,265	\$ 1,452,051
Liabilities payable from restricted assets - deposits	6,812	-	6,812
Total liabilities	<u>1,426,598</u>	<u>32,265</u>	<u>1,458,863</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	108,968	-	108,968
Prepaid taxes	1,956	-	1,956
Other receivables	136,499	442,937	579,436
Total deferred inflows of resources	<u>247,423</u>	<u>442,937</u>	<u>690,360</u>
FUND BALANCES			
Non-spendable			
Prepays	9,212	-	9,212
Inventory	15,859	-	15,859
Restricted			
Stabilization by state statue	5,521,039	62,988	5,584,027
Transportation	148,823	-	148,823
Public safety	-	242,217	242,217
Economic development	-	298,784	298,784
Committed			
Separation Allowance - law enforcement	266,125	-	266,125
Capital outlay	-	6,205,124	6,205,124
Assigned			
Subsequent year's appropriations	1,048,000	-	1,048,000
Unassigned	17,793,082	(12,686)	17,780,396
Total Fund Balances	<u>24,802,140</u>	<u>6,796,427</u>	<u>31,598,567</u>
Total liabilities, deferred inflows of revenues and fund balances	<u>\$ 26,476,161</u>	<u>\$ 7,271,629</u>	<u>\$ 33,747,790</u>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

		Total Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total fund balances continued from Exhibit 3		\$ 31,598,567
Capital assets used in governmental activities are not financing resources and are not reported in the funds.		
Land and other nondepreciable assets	\$ 13,042,725	
Depreciable assets, net	<u>33,278,375</u>	46,321,100
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.		
Interest payable	(41,108)	
Internal balances	1,429,012	
Deferred outflows contributions to local government pension plan	3,636,243	
Deferred outflows pension - local government and LEO pension plan	378,233	
Deferred outflows - OPEB	<u>187,766</u>	5,590,146
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in the governmental activities in the statement of net position.		
		1,217,268
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Deferred property taxes	108,968	
Other deferred revenues	579,436	
Deferred inflow related to pensions	(149,760)	
Deferred inflow related to OPEB	<u>(485,103)</u>	53,541
Long-term liabilities used governmental activities are uses and, therefore, are not reported in the funds.		
Current portion of compensated absences	(952,091)	
Current portion notes payable	(861,755)	
Long-term portion of compensated absences	(1,428,137)	
Total OPEB liability	(1,318,791)	
Long-term notes payable	(1,088,245)	
Net pension liability - LGERS	(5,890,404)	
Total pension liability - LEOSA	<u>(2,468,072)</u>	(14,007,495)
Net position of governmental activities (Exhibit 1)		<u><u>\$ 70,773,127</u></u>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major	Non-Major	Total
	General	Other Governmental Funds	Governmental Funds
REVENUES			
Ad valorem taxes	\$ 18,185,140	\$ -	\$ 18,185,140
Other taxes and licenses	48,701	935,586	984,287
Unrestricted intergovernmental	10,464,623	-	10,464,623
Restricted intergovernmental	1,367,669	155,177	1,522,846
Permits and fees	127,172	-	127,172
Sales and services	2,033,127	-	2,033,127
Investment earnings	250,435	107,010	357,445
Miscellaneous	163,891	1,058	164,949
	<u>32,640,758</u>	<u>1,198,831</u>	<u>33,839,589</u>
EXPENDITURES			
Current:			
General government	7,178,772	315,617	7,494,389
Public safety	17,524,330	157,414	17,681,744
Transportation	2,298,144	340,192	2,638,336
Economic and physical development	15,000	249,074	264,074
Environmental protection	2,869,405	-	2,869,405
Cultural and recreation	3,785,211	-	3,785,211
Debt service:			
Principal	894,700	-	894,700
Interest and fiscal costs	46,543	-	46,543
	<u>34,612,105</u>	<u>1,062,297</u>	<u>35,674,402</u>
Revenues over (under) expenditures	<u>(1,971,347)</u>	<u>136,534</u>	<u>(1,834,813)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	4,296,169	36,765	4,332,934
Transfers to other funds	(36,765)	(1,847,661)	(1,884,426)
Issuance of long term debt	1,250,000	-	1,250,000
	<u>5,509,404</u>	<u>(1,810,896)</u>	<u>3,698,508</u>
Net change in fund balances	3,538,057	(1,674,362)	1,863,695
Fund balances at beginning of year	21,264,083	8,470,789	29,734,872
Fund balances at end of year	<u>\$ 24,802,140</u>	<u>\$ 6,796,427</u>	<u>\$ 31,598,567</u>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Governmental Funds
Total net change in fund balances-governmental funds (continued)	\$ 1,863,695

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciated in the current period.

Capital outlay	\$ 4,738,713	
Depreciation expense	(3,163,007)	1,575,706

Revenues in the Statement of Activities that do not provide current financing resources are not reported as revenues in funds.

Change in deferred revenue for tax revenues	(95,033)	
Change in other receivables	364,875	
Pension expense - LGERS	(1,243,239)	
Pension expense - LEOSSA	(61,936)	
Other post-employment benefits	62,824	(972,509)

The issuance of long-term provides current financing resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financing resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds From Debt	(1,250,000)	
Principal redemption	894,700	
Decreases in accrued interest payable	(35,940)	(391,240)

Some expenses reported in the Statement of Activities do not require the use of current financing resources and , therefore, are not reported as expenditures in governmental funds.

Compensated absences	(66,297)	(66,297)
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Net income of internal service funds determined to be governmental-type.	448,728
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Changes in net position of governmental activities (Exhibit 2)	\$ 2,458,083
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The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over/Under
REVENUES				
Ad valorem taxes	\$ 17,831,212	\$ 17,831,212	\$ 18,185,140	\$ 353,928
Other taxes and licenses	49,500	49,500	48,701	(799)
Unrestricted intergovernmental	9,786,924	9,786,924	10,464,623	677,699
Restricted intergovernmental	1,226,680	1,641,948	1,367,669	(274,279)
Permits and fees	153,650	153,650	127,172	(26,478)
Sales and services	1,994,981	2,089,981	2,033,127	(56,854)
Investment earnings	362,486	362,486	250,435	(112,051)
Miscellaneous	74,597	79,097	163,891	84,794
Total revenues	31,480,030	31,994,798	32,640,758	645,960
EXPENDITURES				
Current:				
General government	8,177,010	9,292,574	7,178,772	2,113,802
Public safety	16,861,489	19,400,050	17,524,330	1,875,720
Transportation	2,655,189	2,785,407	2,298,144	487,263
Economic and physical development	429,525	1,434,750	15,000	1,419,750
Environmental protection	1,850,767	3,045,047	2,869,405	175,642
Cultural and recreation	4,430,832	4,671,455	3,785,211	886,244
Debt service:				
Principal	1,144,244	1,056,699	894,700	161,999
Interest and fiscal costs	-	87,545	46,543	41,002
Contingency	1,134,476	414,116	-	414,116
Total expenditures	36,683,532	42,187,643	34,612,105	7,575,538
Revenues over (under) expenditures	(5,203,502)	(10,192,845)	(1,971,347)	8,221,498
OTHER FINANCING SOURCES (USES)				
Transfer - in	5,203,502	5,203,502	4,296,169	(907,333)
Transfer - (out)	-	(36,765)	(36,765)	-
Issuance of long term debt	-	-	1,250,000	1,250,000
Fund balance appropriated	-	5,026,108	-	(5,026,108)
Total other financing sources	5,203,502	10,192,845	5,509,404	(4,683,441)
Net change in fund balances	\$ -	\$ -	3,538,057	\$ 3,538,057
Fund balances at beginning of year			21,264,083	
Fund balances at end of year			\$ 24,802,140	

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service
	Airport Fund	Electric Fund	Water and Sewer Fund	Civic Center Fund	Stormwater Fund		
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,006,129	\$ 31,089,002	\$ 17,714,691	\$ 2,462,586	\$ 925,143	\$ 53,197,551	\$ 2,441,248
Accounts receivable, net - billed	4,807	3,428,518	913,515	-	128,835	4,475,675	5,842
Accounts receivable, net - unbilled	-	3,962,874	966,022	-	151,002	5,079,898	-
Due from other governments	1,790,415	-	-	-	-	1,790,415	-
Interest receivable	1,283	56,562	31,287	2,443	1,634	93,209	4,076
Restricted cash, deposits	-	1,201,856	-	-	-	1,201,856	-
Interfund loan	-	5,474,161	-	-	-	5,474,161	-
Prepaid expenses	-	-	-	-	-	-	1,367
Inventories	33,832	2,064,216	222,122	-	-	2,320,170	-
Total current assets	2,836,466	47,277,189	19,847,637	2,465,029	1,206,614	73,632,935	2,452,533
Capital assets:							
Land and non-depreciable	12,055,345	23,750	1,512,212	2,796,012	-	16,387,319	-
Capital assets, net of depreciation	18,728,833	27,684,799	62,570,869	2,250,908	164,783	111,400,192	-
Construction work in progress	11,166,308	1,873,154	712,438	-	45,355	13,797,255	-
Total capital assets, net	41,950,486	29,581,703	64,795,519	5,046,920	210,138	141,584,766	-
Total assets	44,786,952	76,858,892	84,643,156	7,511,949	1,416,752	215,217,701	2,452,533
Deferred Outflows of Resources:							
Pension deferrals	19,303	408,543	628,264	81,905	(8,404)	1,129,611	-
OPEB deferrals	1,785	14,284	23,212	3,571	1,785	44,637	-
Total deferred outflows of resources	21,088	422,827	651,476	85,476	(6,619)	1,174,248	-
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	550,140	4,161,306	788,474	288,443	29,002	5,817,365	829,509
Interest payable	37,312	-	35,437	-	-	72,749	-
Due to other governments	-	-	367,638	-	-	367,638	-
Payable from restricted assets:							
Customer deposits	-	1,201,856	-	-	-	1,201,856	-
Prepaid fees	-	-	-	35,640	-	35,640	-
Compensated absences - current	11,347	179,982	126,617	12,540	2,297	332,783	-
Long-term debt - current	-	-	2,192,526	-	-	2,192,526	-
Total current liabilities	598,799	5,543,144	3,510,692	336,623	31,299	10,020,557	829,509
Long-term liabilities:							
Total LGERS liability	57,355	620,859	1,140,938	142,786	7,799	1,969,737	-
Total OPEB liability	17,362	138,898	225,710	34,725	742	417,437	-
Compensated absences - non-current	17,017	269,972	189,926	18,809	3,443	499,167	-
Interfund payable - non current	5,474,161	-	-	-	-	5,474,161	-
Long-term debt - non-current	-	-	20,933,690	-	-	20,933,690	-
Total long-term liabilities	5,565,895	1,029,729	22,490,264	196,320	11,984	29,294,192	-
Total liabilities	6,164,694	6,572,873	26,000,956	532,943	43,283	39,314,749	829,509
Deferred Inflows of Resources:							
OPEB deferrals	6,468	51,744	84,085	12,936	6,468	161,701	-
Pension deferrals	332	6,176	15,396	1,375	383	23,662	-
Total deferred inflows of resources	6,800	57,920	99,481	14,311	6,851	185,363	-
NET POSITION							
Net investment in capital assets	41,950,486	29,581,703	41,669,303	5,046,920	210,138	118,458,550	-
Unrestricted	(3,313,940)	41,069,223	17,524,892	2,003,251	1,149,861	58,433,287	1,623,024
Total net position	\$ 38,636,546	\$ 70,650,926	\$ 59,194,195	\$ 7,050,171	\$ 1,359,999	176,891,837	\$ 1,623,024
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(1,023,256)	
Net position of business-type activities						\$ 175,868,581	

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service
	Airport Fund	Electric Fund	Major Water and Sewer Fund	Civic Center Fund	Stormwater Fund		
OPERATING REVENUES							
Charges for sales and services	\$ 2,128,234	\$ 44,301,645	\$ 11,380,292	\$ 261,399	\$ 2,014,741	\$ 60,086,311	\$ 5,963,187
Other operating revenues	-	1,184,205	861,558	-	-	2,045,763	-
Total operating revenues	<u>2,128,234</u>	<u>45,485,850</u>	<u>12,241,850</u>	<u>261,399</u>	<u>2,014,741</u>	<u>62,132,074</u>	<u>5,963,187</u>
OPERATING EXPENSES							
Airport operations	1,722,153	-	-	-	-	1,722,153	-
Electrical operations	-	5,078,473	-	-	-	5,078,473	-
Electrical power purchases	-	34,628,620	-	-	-	34,628,620	-
Water and sewer operations	-	-	8,611,871	-	-	8,611,871	-
Stormwater operations	-	-	-	-	854,488	854,488	-
Civic Center operations	-	-	-	1,164,100	-	1,164,100	-
Health expenses and insurance claims	-	-	-	-	-	-	5,393,556
Depreciation	1,276,831	1,453,171	3,823,797	136,216	8,673	6,698,688	-
Total operating expenses	<u>2,998,984</u>	<u>41,160,264</u>	<u>12,435,668</u>	<u>1,300,316</u>	<u>863,161</u>	<u>58,758,393</u>	<u>5,393,556</u>
Operating income (loss)	<u>(870,750)</u>	<u>4,325,586</u>	<u>(193,818)</u>	<u>(1,038,917)</u>	<u>1,151,580</u>	<u>3,373,681</u>	<u>569,631</u>
NONOPERATING REVENUES (EXPENSES)							
Interest income	28,792	451,529	257,494	18,604	11,051	767,470	28,672
Interest expense	(136,854)	-	(471,427)	-	-	(608,281)	-
Non-operating revenues	208	7,320,062	76,734	1,009	-	7,398,013	-
Total nonoperating revenues (expenses)	<u>(107,854)</u>	<u>7,771,591</u>	<u>(137,199)</u>	<u>19,613</u>	<u>11,051</u>	<u>7,557,202</u>	<u>28,672</u>
Income (loss) before capital contributions and transfers	<u>(978,604)</u>	<u>12,097,177</u>	<u>(331,017)</u>	<u>(1,019,304)</u>	<u>1,162,631</u>	<u>10,930,883</u>	<u>598,303</u>
Capital contributions	3,941,759	-	(50,628)	-	-	3,891,131	-
Transfers - in	-	-	-	1,813,145	-	1,813,145	-
Transfers - (out)	(64,284)	(113,289)	(334,126)	(24,153)	-	(535,852)	-
Total capital contributions and transfers	<u>(64,284)</u>	<u>(113,289)</u>	<u>(334,126)</u>	<u>1,788,992</u>	<u>-</u>	<u>1,277,293</u>	<u>-</u>
Change in net position (loss)	<u>2,898,871</u>	<u>11,983,888</u>	<u>(715,771)</u>	<u>769,688</u>	<u>1,162,631</u>	<u>16,099,307</u>	<u>598,303</u>
Net position, beginning of year (deficit)	<u>35,737,675</u>	<u>58,667,038</u>	<u>59,909,966</u>	<u>6,280,483</u>	<u>197,368</u>	<u>160,792,530</u>	<u>1,024,721</u>
Net position, end of year	<u>\$ 38,636,546</u>	<u>\$ 70,650,926</u>	<u>\$ 59,194,195</u>	<u>\$ 7,050,171</u>	<u>\$ 1,359,999</u>	<u>\$ 176,891,837</u>	<u>\$ 1,623,024</u>
Change of net position shown above						\$ 16,099,307	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds						149,576	
Change in net position - business-type activities						<u>\$ 16,248,883</u>	

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Enterprise Funds					Total Enterprise Funds	Internal Service Funds
	Airport Fund	Electric Fund	Water and Sewer Fund	Civic Center Fund	Stormwater Fund		
Cash flows from operating activities:							
Cash received from customers	\$ 2,213,735	\$ 46,338,933	\$ 12,338,601	\$ 261,400	\$ 1,734,904	\$ 62,887,573	\$ 5,966,879
Cash paid for goods and services	(2,599,839)	(36,203,452)	(4,457,606)	(467,624)	(648,937)	(44,377,458)	(5,403,943)
Cash paid to employees for services	(426,694)	(3,003,580)	(3,502,353)	(515,802)	(148,798)	(7,597,227)	-
Net cash provided (used) by operating activities	(812,798)	7,131,901	4,378,642	(722,026)	937,169	10,912,888	562,936
Cash flows from noncapital financing activities:							
Transfers from other funds	-	-	-	1,813,145	-	1,813,145	-
Transfers to other funds	(64,284)	(113,289)	(334,126)	(24,153)	-	(535,852)	-
Net cash provided (used) by noncapital financing activities	(64,284)	(113,289)	(334,126)	1,788,992	-	1,277,293	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(3,028,979)	(6,300,833)	(2,187,317)	(171,504)	(218,811)	(11,907,444)	-
Principal paid on long-term debt	-	-	(2,192,527)	-	-	(2,192,527)	-
Interest paid on long-term debt	(136,854)	-	(471,427)	-	-	(608,281)	-
Insurance proceeds	-	7,320,062	76,734	-	-	7,396,796	-
Capital contributions	3,941,759	-	-	-	-	3,941,759	-
Net cash used by capital and related financing activities	775,926	1,019,229	(4,774,537)	(171,504)	(218,811)	(3,369,697)	-
Cash flows from investing activities:	29,221	476,728	288,766	21,487	9,417	825,619	28,672
Net increase (decrease) in cash and cash equivalents	(71,935)	8,514,569	(441,255)	916,949	727,775	9,646,103	591,608
Cash and cash equivalents, July 1	1,078,064	23,776,289	18,155,946	1,545,637	197,368	44,753,304	1,849,640
Cash and cash equivalents, June 30	<u>\$ 1,006,129</u>	<u>\$ 32,290,858</u>	<u>\$ 17,714,691</u>	<u>\$ 2,462,586</u>	<u>\$ 925,143</u>	<u>\$ 54,399,407</u>	<u>\$ 2,441,248</u>
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ (870,750)	\$ 4,325,586	\$ (193,818)	\$ (1,038,917)	\$ 1,151,580	\$ 3,373,681	\$ 569,631
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	1,276,831	1,453,171	3,823,797	136,216	8,673	6,698,688	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	84,940	767,600	96,750	-	(279,837)	669,453	3,692
Decrease (increase) in inventory	(11,863)	94,480	46,854	-	-	129,471	-
Decrease (increase) in prepaids	-	210,303	-	-	-	210,303	-
Increase (decrease) in accounts payable	(2,917,773)	(3,516)	349,108	172,833	29,002	(2,370,346)	34,070
(Increase) decrease from/to other governments	1,597,982	-	-	-	-	1,597,982	-
(Decrease) in customer deposits	-	85,482	-	-	-	85,482	-
Increase in deferred outflows of resources - pensions	8,404	67,229	109,252	16,808	8,404	210,097	-
Increase in net pension liability	7,799	62,391	101,385	15,598	7,799	194,972	-
Increase (decrease) in deferred inflows of resources - pensions	383	3,060	4,973	765	383	9,564	-
Increase (decrease) in compensated absences	11,296	66,489	40,947	(25,236)	5,740	99,236	-
Increase (decrease) in deferred inflows of resources - OPEB	127	1,015	1,651	254	6,468	9,515	-
(Decrease) in total OPEB liability	742	5,941	9,654	1,485	742	18,564	-
(Decrease) in OPEB deferred outflow	(916)	(7,330)	(11,911)	(1,832)	(1,785)	(23,774)	-
Decrease in IBNR - health	-	-	-	-	-	-	(105,083)
Decrease in IBNR - worker's compensation	-	-	-	-	-	-	60,626
Total adjustments	57,952	2,806,315	4,572,460	316,891	(214,411)	7,539,207	(6,695)
Net cash provided (used) by operating activities	<u>\$ (812,798)</u>	<u>\$ 7,131,901</u>	<u>\$ 4,378,642</u>	<u>\$ (722,026)</u>	<u>\$ 937,169</u>	<u>\$ 10,912,888</u>	<u>\$ 562,936</u>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020

	Statesville Connects Fund
ASSETS	
Cash and cash equivalents	\$ 3,150
Donation receivable	6
	<hr/>
Total assets	\$ 3,156
	<hr/>
NET POSITION	
Reserved for utility donations	\$ 3,156
	<hr/>

The accompanying notes are an integral part of this statement.

CITY OF STATESVILLE, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Statesville Connects Fund
Additions	
Utility donations	\$ 2,202
Investment income	35
Total additions	2,237
Deductions	
Customer assistance	200
Total deductions	200
Change in net position	2,037
Net position, beginning of year	1,119
Net position, end of year	\$ 3,156

The accompanying notes are an integral part of this statement.

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CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Statesville and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Statesville is a municipal corporation that is governed by an elected Mayor and an eight-member Council. As required by generally accepted accounting principles, these financial statements present the City and its component units, legally separate entities for which the City is financially accountable. The discretely presented component units described below are reported in separate columns in the City's financial statements in order to emphasize that they are legally separate from the City. The discretely presented component units have a June 30 year end.

Discretely Presented Component Units

City of Statesville Alcoholic Beverage Control Board

The City of Statesville Alcoholic Beverage Control Board (the "ABC Board") operates within the City's geographical boundaries, exists for the benefit of its residents, and is governed by a City-appointed governing board. The City does not approve the Board's budget and does not select its management. The City does not finance any of the Board's deficits but is entitled to receive 40% of net income after deductions for required law enforcement, education, and proper working capital, plus liquor-by-the-drink net income. The Board is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the Board may be obtained from the entity's administrative offices at the City of Statesville Alcoholic Beverage Control Board, P.O. Box 902, 311 South Center Street, Statesville, NC 28677.

Statesville Convention and Visitors Bureau

The Statesville Convention and Visitors Bureau (the "CVB") was chartered as the Statesville Tourism Development Authority by S.L. 1988-112/House Bill 1568 of the 1998 session laws of the North Carolina General Assembly, effective August 20, 1998. During the year ended June 30, 2003, the Board, by resolution and change of by-laws, changed the name of the organization to Statesville Convention and Visitors Bureau. The purpose of the Bureau is to promote travel and tourism in the City of Statesville. The Statesville City Council appoints the Bureau's nine-member Board and designates its chair. The budget of the Bureau is approved by the Board of the Bureau and the Statesville City Council concurs with the budget. The Bureau is presented as if it were a governmental fund. Complete financial statements for the Bureau may be obtained from the entity's administrative offices at the Statesville Convention and Visitors Bureau, 300 S Center St, Statesville, NC 28677.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately and are excluded from the government-wide financial statements.

The City reports the following major governmental fund:

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

Propriety funds' operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings. The City reports the following major enterprise funds:

Airport Fund – The Airport Fund is used to account for the City's airport operations. For additional information, see financial note regarding change in accounting principles.

Electric Fund – The Electric Fund is used to account for the City's electric operations.

Water and Sewer Fund – The Water and Sewer Fund is used to account for the City's water and sewer operations.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Civic Center Fund – The Civic Center Fund is used to account for civic center activities such as weddings, musical events, meetings, and other special events.

Stormwater Fund – The Stormwater Fund is used to account for stormwater operations.

Additionally, the City reports the following non-major funds:

Non-major Special Revenue and Capital Project Funds – Non-major funds account for revenues, activities and capital projects for specific purposes. The City currently maintains thirteen non-major funds. They are the Occupancy Tax Fund, Home Program Fund, Drug Enforcement Fund, Domestic Violence Grant Fund, Economic Development Fund, Secondary E-911 Fund, General Equipment Capital Reserve Fund, Streetscape Capital Fund, Transportation Grant – TAP Fund, Brookdale NC – 21 Connector Fund, Shelton Avenue Multi-Use Path Fund, Municipal Service Center Fund, and the Bethlehem Road Capital Project Fund.

The City reports the following fund types:

Internal Service Fund – Internal Service Fund account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one internal service fund, the Risk Management Fund, that accounts for the City's self-insured health plan that manages health claims and wellness program, self-insured worker's compensation that manages worker's compensation claims, and property and casualty liability insurance. The property and casualty liability insurance pays all losses above the deductible for general coverage, auto liability, police liability, public official's liability, municipal equipment and boiler and machinery. Each department or division contributes a defined share of premiums based upon respective exposures. Other revenue sources include collection of subrogated claims and interest earned. Insurance premiums, claims and costs are paid from the Fund.

Fiduciary Funds – The City administers a Utility Donation Fund (Statesville Connects) that provides financial assistance to qualified City utility customers.

C. Measurement Focus and Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds and of the City's internal service fund are charges to customers for sales and services. The City also recognizes as operating revenue the system development fees that are reserved in the Water and Sewer Capital Fund for future expansion. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Sales taxes and certain intergovernmental revenues, such as beer and wine tax, collected and held by the state at year-end on behalf of the City are recognized as revenue. Sales taxes are considered shared revenue for the City of Statesville because the tax is levied by Iredell County and then remitted to and distributed by the state. 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. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have satisfied. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

D. Budgetary Data

The City's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, Occupancy Tax Fund, and enterprise funds. All annual appropriations lapse at fiscal yearend. Project ordinances are adopted for all other special revenue funds, the capital projects funds and the enterprise capital projects funds. The City's Health Insurance Fund and Property and Casualty Liability Insurance Fund, internal service funds, operates under a financial plan that was adopted by the City Council at the time the City's budget ordinance was approved, as is required by the General Statutes. 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 multi-year funds.

Expenditures may not legally exceed budgeted appropriations at the departmental level for all annually budgeted funds, funding source level for multi-year capital project funds, and fund level for enterprise capital project funds. However, in the related ordinance, the City Council authorizes the City Manager to approve transfers between departments of the same fund with an official written notification to the City Council. Department directors may request unlimited transfers of appropriations within their department with the concurrence of the City Manager and without governing board notification. Any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budgets 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 Fund Equity

Deposits and Investments

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

State law G.S. §159-30(c) authorizes the City, the ABC Board, and the CVB 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 banker's acceptances and the North Carolina Capital Management Trust (NCCMT). The City's, and the ABC Board's, and the CVB's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT - Governmental Portfolio, an SEC-registered (2a-7) money market fund, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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

Cash and Cash Equivalents

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

Restricted Assets

Restricted assets are those funds that are held as deposits for future action of a third-party. Currently, the City presents as restricted assets the utility deposits of \$1,201,856 held by the Electric Fund, Planning Department deposits of \$6,812, and Transportation funds of \$148,823 both held by the General Fund.

Ad Valorem Taxes Receivable

In accordance with state law G.S. §105-347 and G.S. §159-13(a), the City levies and creates a lien for ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. These taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. The taxes levied are based on the assessed values as of January 1, 2019.

Allowance for Doubtful Accounts

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

Inventory and Prepaid Items

The inventories of the City are valued at cost, which approximates market, using the average cost method. The inventories of the City's General Fund consist of expendable supplies that are recorded as expenditures as used rather than when purchased.

The inventories of the City's enterprise funds consist of material and supplies held for subsequent use. The cost is expensed with consumed rather than when purchased.

The inventories of the ABC Board consist of supplies held for resale. The cost of these inventories is recorded as an expense as the inventories are consumed or sold.

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

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of one year. Minimum capitalization costs are as follows: buildings, improvements, substations, lines, and other plant and distribution systems, \$25,000; infrastructure, \$100,000; furniture, equipment, and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and sidewalk sub-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 Statesville Convention and Visitors Bureau had no capital assets at June 30, 2020. Capital assets are depreciated using the straight-line method over the following estimated useful lives for City assets:

Asset Class	Estimated Useful Lives
Buildings	40 years
Infrastructure	50 years
Vehicles	6-10 years
Substations and distribution system	20-40 years
Other improvements	25 years

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

Asset Class	Estimated Useful Lives
Land improvements	15 years
Buildings	30 years
Furniture & equipment	5-7 years

Deferred Outflows/Inflows of Resources

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

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt. In 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.

Compensated Absences

The vacation policies of the City, the ABC Board, and the CVB provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds and the ABC Board and CVB, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. The City provides its employees with compensated time at 1.5 times their regular rate in lieu of overtime pay up to 240 hours. After the 240 hours have been reached, the employees are paid overtime at 1.5 times their regular rate. Police and Fire earn holiday pay for those hours worked on official holidays.

The City's, the ABC Board's, and CVB's sick leave policies provide for an unlimited amount of earned sick leave. Sick leave for the City vests after 20 years of service and an expense and a liability are recorded. Sick leave does not vest for the ABC Board or CVB. The ABC Board and CVB have no obligation for accumulated sick leave until it is actually taken; thus, no accrual for sick leave has been made.

Net Position/Fund Balances

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

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

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

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

Prepaid Items - Portion of fund balance that is not an available resource because it represents the prepaid items for the next year's expenditures.

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

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

Restricted for Public Safety – Portion of fund balance that is restricted for drug seizure funds and police grants.

Restricted for Economic Development – Portion of fund balance that is restricted for home program (HUD) and occupancy tax funds.

Restricted for Transportation – Portion of fund balance that is restricted for Powell Bill funds.

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Statesville's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The City Council currently has committed \$266,125 for the

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

funding of the Law Enforcement Officers' Special Separation Allowance pension. The City Council also has committed \$6,205,124 for the funding of capital outlay within various capital projects.

Assigned Fund Balance – Portion of fund balance that the City of Statesville's governing board intends to use for specific purposes. The City Council has assigned \$1,048,000 for the funding of subsequent years appropriations.

Unassigned Fund Balance – That portion of total fund balance that is available for appropriation which has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Defined Benefit Cost-Sharing plans (Pensions)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Statesville's employer contributions are recognized when due and the City of Statesville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits

All of the deposits of the City, the ABC Board, and CVB are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed federal depository insurance coverage level are collateralized with securities held by the City's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, the ABC Board, and CVB, these deposits are considered to be held by the City's, the ABC Board's and CVB's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling

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Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the

City, the ABC Board, CVB or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City, the ABC Board, and CVB under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows.

However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City, the ABC Board, and CVB do not have policies regarding custodial risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the City's deposits had a carrying amount of \$12,697,127 and a bank balances of \$12,818,629. The City maintained \$3,675 in petty cash and other funds. Of the bank balance, \$500,000 was covered by federal depository insurance, and the excess funds was covered by collateral held under the Pooling Method.

At June 30, 2020, the Statesville Convention and Visitors Bureau's deposits had a carrying amount of \$113,899 and a bank balance of \$121,333 all of which was covered by federal depository insurance. The Statesville Convention and Visitors Bureau maintained an investment with the NCCMT governmental fund of \$98,275 (see investment note).

At June 30, 2020, the ABC Board's deposits had a carrying amount of \$1,021,866 and a bank balance of \$989,343. ABC maintained \$9,600 in change funds. Of the bank balance, \$250,000 was covered by federal depository insurance. Amounts in excess of FDIC insurance are collateralized under the Pooling Method.

The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .15 years. Both the NCCMT Government and Term Portfolios are reported at fair value. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

Level of Fair Value Hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. 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. To reduce interest rate risk, the investments shall be diversified by (1) investing in securities in varying maturities and (2) continuously investing a portion of the portfolio in readily available funds such as a mutual fund for local government investment certified by the Local Government Commission pursuant to G.S. §159-30(c)(8), currently the North Carolina Capital Management Trust. The City's governing board enacted a formal investment policy that provides for diversification and minimizes credit risks by varying the investment's maturity dates.

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Credit Risk. To reduce credit risk, the City's adopted investment policy provides that investment shall be diversified by (1) limiting investments to avoid over-concentration in securities from a specific issuer or business sector, excluding U.S. Treasury securities, and (2) Limiting investment in securities that have higher credit risks. The City's and CVB's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Concentration of Credit Risk. The City's investment policy limits the amount that the City may invest in any one issuer. With the exception of US treasuries securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type and no more than 33% with a single financial institution. Less than 20% of the City's investments are in US government agencies; Federal Home Loan Bank and Federal National Mortgage Association, 11.97%, and 12.25%, respectively. The City was in compliance with the policy.

As of June 30, 2020, the City's investment balances were as follows:

Investment Type	Valuation Measurement		Less 6 Months	6-12 Months
	Method	Fair Value		
US Government Treasuries	Fair Value Level 1	\$ 4,011,920	\$ 4,011,920	\$ -
US Government Agencies	Fair Value Level 2	9,790,306	6,028,620	3,761,686
NCCMT Government Portfolio	Fair Value Level 1	49,001,701	49,001,701	-
NCCMT Term Portfolio	Fair Value Level 1	10,546,991	10,546,991	-
Total		<u>\$ 73,350,918</u>	<u>\$ 69,589,232</u>	<u>\$ 3,761,686</u>

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Receivables - Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2020 were as follows:

	Accounts Receivable	Taxes Receivable	Due from Other Governments	Total
Governmental activities:				
General Fund	\$ 829,658	\$ 564,500	\$ 3,722,089	\$ 5,116,247
Non-Major funds/internal service	439,769	-	68,563	508,332
Total receivables	1,269,427	564,500	3,790,652	5,624,579
Allowance for doubtful accounts	(783,006)	(455,532)	(75,147)	(1,313,685)
Total governmental activities	\$ 486,421	\$ 108,968	\$ 3,715,505	\$ 4,310,894
Business-type activities:				
Airport	\$ 28,090	\$ -	\$ 1,790,415	\$ 1,818,505
Electric	8,322,763	-	-	8,322,763
Water and Sewer	2,652,360	-	-	2,652,360
Stormwater	394,167	-	-	394,167
Total receivables	11,397,380	-	1,790,415	13,187,795
Allowance for doubtful accounts	(1,841,807)	-	-	(1,841,807)
Total business-type activities:	\$ 9,555,573	\$ -	\$ 1,790,415	\$ 11,345,988

Amounts due from governmental agencies consist of the following:

	Other Govt	State	Total
Governmental activities, net:			
Sales tax refund and use tax distribution	\$ -	\$ 2,639,894	\$ 2,639,894
Utility tax, telecommutations, video programming	-	529,714	529,714
Grants receivable	-	282,125	282,125
Other government	263,772	-	263,772
Total governmental activities	\$ 263,772	\$ 3,451,733	\$ 3,715,505
Business-type activities:			
Grants receivable	\$ -	\$ 1,790,415	\$ 1,790,415
Total business-type activities:	\$ -	\$ 1,790,415	\$ 1,790,415

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Capital Assets

Primary Government

	June 30, 2019	Additions	Retirements	Transfers	June 30, 2020
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 11,331,022	\$ -	\$ -	\$ -	\$ 11,331,022
Construction in progress	916,111	795,592	-	-	1,711,703
Total capital assets not being depreciated	12,247,133	795,592	-	-	13,042,725
Capital assets being depreciated:					
Buildings	19,952,172	141,741	-	-	20,093,913
Communications and computers	1,819,129	-	-	-	1,819,129
Infrastructure and other improvements	47,827,480	901,824	-	-	48,729,304
Vehicles	14,877,373	2,899,556	858,314	50,438	16,969,053
Total capital assets being depreciated:	84,476,154	3,943,121	858,314	50,438	87,611,399
Less accumulated depreciation for:					
Buildings	8,910,356	530,231	-	-	9,440,587
Computers and office equipment	1,087,954	96,721	-	-	1,184,675
Infrastructure and other improvements	31,686,671	1,598,183	-	-	33,284,854
Vehicles	10,292,912	937,872	858,314	50,438	10,422,908
Total accumulated depreciation	51,977,893	\$ 3,163,007	\$ 858,314	\$ 50,438	54,333,024
Total capital assets being depreciated, net	32,498,261				33,278,375
Governmental activities capital assets, net	\$ 44,745,394				\$ 46,321,100

Depreciation expense charged to functions of the primary government as follows:

Governmental functions:	
General government	\$ 272,087
Public safety	858,760
Transportation	1,316,659
Environmental protection	262,307
Culture and recreation	453,194
Total depreciation expense governmental functions	\$ 3,163,007

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	June 30, 2019	Additions	Retirements	Transfers	June 30, 2020
Airport:					
Capital assets not being depreciated:					
Land	\$ 12,055,345	\$ -	\$ -	\$ -	\$ 12,055,345
Construction in progress	8,195,535	2,970,773	-	-	11,166,308
Total assets not being depreciated	20,250,880	2,970,773	-	-	23,221,653
Capital assets being depreciated:					
Buildings	7,266,429	-	-	-	7,266,429
Airport improvements	23,881,555	-	-	-	23,881,555
Other	1,075,644	58,206	-	-	1,133,850
Vehicles and equipment	34,038	-	-	-	34,038
Total capital assets being depreciated	32,257,665	58,206	-	-	32,315,872
Less accumulated depreciation for:					
Buildings	1,464,644	355,650	-	-	1,820,294
Airport improvements and equipment	10,038,273	873,122	-	-	10,911,394
Other	784,809	46,211	-	-	831,020
Vehicles	22,482	1,849	-	-	24,331
Total accumulated depreciation	12,310,208	\$ 1,276,831	\$ -	\$ -	13,587,039
Total capital assets being depreciated, net	19,947,457				18,728,833
Total Airport Fund capital assets, net	40,198,337				41,950,486
Electric Fund:					
Capital assets not being depreciated:					
Land	18,100	\$ 5,650	\$ -	\$ -	23,750
Construction work in progress	45,625	1,827,529	-	-	1,873,154
Total assets not being depreciated	63,725	1,833,179	-	-	1,896,904
Capital assets being depreciated:					
Buildings	-	323,455	-	-	323,455
Plant in service	43,666,660	3,679,553	1,166,443	-	46,179,770
Vehicles and equipment	5,205,606	464,646	29,078	-	5,641,174
Total capital assets being depreciated	48,872,266	4,467,654	1,195,521	-	52,144,399
Less accumulated depreciation for:					
Buildings	-	6,469	-	-	6,469
Plant in service	21,664,084	1,062,153	1,166,443	-	21,559,794
Vehicles and equipment	2,537,866	384,549	29,078	-	2,893,337
Total accumulated depreciation	24,201,950	\$ 1,453,171	\$ 1,195,521	\$ -	24,459,600
Total capital assets being depreciated, net	24,670,316				27,684,799
Total Electric Fund capital assets, net	24,734,041				29,581,703

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	June 30, 2019	Additions	Retirements	Transfers	June 30, 2020
Water and Sewer Fund:					
Capital assets not being depreciated:					
Land	1,511,212	\$ 1,000	\$ -	\$ -	1,512,212
Construction work in progress	81,700	630,738	-	-	712,438
Total assets not being depreciated	1,592,912	631,738	-	-	2,224,650
Capital assets being depreciated:					
Plant in service - Water System	48,833,507	474,759	-	-	49,308,266
Plant in service - Sewer System	71,863,802	93,884	-	-	71,957,686
Vehicles and equipment	4,743,531	986,936	72,317	(50,438)	5,607,712
Total capital assets being depreciated	125,440,840	1,555,579	72,317	(50,438)	126,873,664
Less accumulated depreciation for:					
Plant in service - Water System	27,054,884	1,066,883	-	-	28,121,767
Plant in service - Sewer System	30,083,906	2,474,433	-	-	32,558,339
Vehicles and equipment	3,462,963	282,481	72,317	(50,438)	3,622,689
Total accumulated depreciation	60,601,753	\$ 3,823,797	\$ 72,317	\$ (50,438)	64,302,795
Total capital assets being depreciated, net	64,839,087				62,570,869
Total Water and Sewer Fund capital assets, net	66,431,999				64,795,519
Stormwater Fund:					
Capital assets not being depreciated:					
Construction work in progress	-	\$ 45,355	\$ -	\$ -	45,355
Total assets not being depreciated	-	45,355	-	-	45,355
Capital assets being depreciated:					
Other	-	82,723	-	-	82,723
Vehicles	-	90,733	-	-	90,733
Total capital assets being depreciated	-	173,456	-	-	173,456
Less accumulated depreciation for:					
Other	-	4,136	-	-	4,136
Vehicles	-	4,537	-	-	4,537
Total accumulated depreciation	-	\$ 8,673	\$ -	\$ -	8,673
Total capital assets being depreciated, net	-				164,783
Total Stormwater Fund capital assets, net	-				210,138

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	June 30, 2019	Additions	Retirements	Transfers	June 30, 2020
Civic Center Fund:					
Capital assets not being depreciated:					
Land	2,692,543	\$ 103,469	\$ -	\$ -	2,796,012
Total assets not being depreciated	2,692,543	103,469	-	-	2,796,012
Capital assets being depreciated:					
Buildings	4,765,318	-	-	-	4,765,318
Improvements and equipment	613,760	68,034	-	-	681,794
Vehicles	10,221	-	-	-	10,221
Total capital assets being depreciated	5,389,299	68,034	-	-	5,457,333
Less accumulated depreciation for:					
Buildings	2,519,541	122,032	-	-	2,641,573
Improvements and equipment	540,447	14,184	-	-	554,631
Vehicles and equipment	10,221	-	-	-	10,221
Total accumulated depreciation	3,070,209	\$ 136,216	\$ -	\$ -	3,206,425
Total capital assets being depreciated, net	2,319,090				2,250,908
Total Civic Center Fund capital assets, net	5,011,633				5,046,920
Business-type activities capital assets, net	\$136,376,010				\$ 141,584,766

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2020 was as follows:

	June 30, 2019	Additions	Retirements	Transfers	June 30, 2020
Capital assets not being depreciated:					
Land	\$ 235,050	\$ -	\$ -	\$ -	\$ 235,050
Total assets not being depreciated	235,050	-	-	-	235,050
Capital assets being depreciated:					
Buildings	1,667,134	-	87,336	-	1,579,798
Furniture and equipment	422,630	24,465	152,270	-	294,825
Total capital assets being depreciated	2,089,764	24,465	239,606	-	1,874,623
Less accumulated depreciation for:					
Buildings	624,660	37,954	85,751	-	576,863
Furniture and equipment	322,114	29,026	152,270	-	198,870
Total accumulated depreciation	946,774	\$ 66,980	\$ 238,021	\$ -	775,733
Total ABC capital assets, net	\$ 1,378,040				\$ 1,333,940

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Construction Work in Progress:

The City of Statesville active construction and software implementation projects as of June 30, 2020 are as follows:

Project	Project Authorization	Remaining Commitment
<i>General Government:</i>		
Streetscape Capital Project	\$ 9,317,133	\$ 376,237
Transportation Grant - TAP	1,670,000	1,560,744
Brookdale NC-21 Connector	2,727,500	2,315,143
Shelton Avenue Multi-Use Path	753,750	584,448
Bethlehem Road Capital Project	5,100,000	5,100,000
<i>Airport Fund:</i>		
Airport Improvement Fund	6,723,668	1,444,822
Parallel Taxiway Project	10,650,000	654,081
Glideslope and Localizer Project	750,000	655,839
SE Parallel Lighting and Electrical Vault Project	2,000,000	1,869,907
East Corporate Area Development	4,112,600	3,817,728
Runway Safety Area Extension Project	9,385,288	8,853,765
<i>Electric Fund:</i>		
Electric Utility Capital Reserve	199,500	199,500

Payables

Payables at the government-wide level at June 30, 2020 were as follows:

	Vendors & IBNR	Salaries & Benefits	Total
All governmental activities	<u>\$ 1,391,390</u>	<u>\$ 890,170</u>	<u>\$ 2,281,560</u>
Business-type activities:			
Airport	\$ 533,916	\$ 16,224	\$ 550,140
Electric	4,040,061	121,245	4,161,306
Water and Sewer	655,123	133,351	788,474
Stormwater	20,912	8,090	29,002
Civic Center	269,771	18,672	288,443
Total business-type activities	<u>\$ 5,519,783</u>	<u>\$ 297,582</u>	<u>\$ 5,817,365</u>

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Pension Plan Obligations

a. North Carolina Local Government Employees' Retirement System

Plan Description. The City of Statesville and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. LGERS provides retirement and disability benefits to plan members and beneficiaries. The CVB does not participate in LGERS. 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters).

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 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.

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Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Statesville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Statesville's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Statesville were \$1,861,399 for the year ended June 30, 2020.

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

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

At June 30, 2020, the City reported a liability of \$7,860,141 for its proportionate share of the net pension liability and the ABC Board reported \$83,840. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, (measurement date) the City's proportion was .28782%, which was a decrease of .01063% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$3,519,981. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,345,855	\$ -
Changes of assumptions	1,281,072	-
Net difference between projected and actual earnings on pension plan investments	191,720	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	85,806	96,281
Employer contributions subsequent to the measurement date	1,861,399	-
	<u>\$ 4,765,852</u>	<u>\$ 96,281</u>

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\$1,861,399 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	1,404,620
2022		444,205
2023		763,168
2024		196,179
2025		-
		<hr/>
	\$	<u>2,808,172</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014. 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.

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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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	<u>\$ 17,977,577</u>	<u>\$ 7,860,141</u>	<u>\$ (549,500)</u>

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

CITY OF STATESVILLE, NORTH CAROLINA
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b. Law Enforcement Officers' Special Separation Allowance

- 1) *Plan Description.* The City of Statesville and the ABC Board administer a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85% 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. A separate report was not issued for the plan.

All full-time law enforcement officers of the City and the ABC Board are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

	<u>City</u>	<u>ABC Board</u>
Inactive members currently receiving benefits	9	0
Active plan members	<u>74</u>	<u>0</u>
Total	<u><u>83</u></u>	<u><u>0</u></u>

2) *Summary of Significant Accounting Policies:*

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

The Separation Allowance has no assets accumulated in a trust that meets the criteria outlined in GASB Statements 73.

Actuarial Assumptions – The entry age actuarial normal cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

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

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The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions – The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The City paid \$166,881 and the ABC Board paid \$0 as benefits came due for the reporting period.

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

At June 30, 2020, the City reported a total pension liability of \$2,468,072. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$251,025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 165,605	\$ -
Changes in assumptions and other inputs	127,422	77,141
Benefit payments subsequent to the measurement date	85,208	-
	<u>\$ 378,235</u>	<u>\$ 77,141</u>

CITY OF STATESVILLE, NORTH CAROLINA
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\$85,208 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year end June 30:		
2021	\$	58,721
2022		58,721
2023		62,817
2024		16,082
2025		19,545
Thereafter		-
	\$	<u>215,886</u>

Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 3.26 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	<u>\$ 2,677,096</u>	<u>\$ 2,468,072</u>	<u>\$ 2,277,914</u>

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

	2020
Beginning Balance, Total Pension Liability	\$ 2,306,764
Changes for the year:	
Service cost at end of year	111,375
Interest	80,929
Difference between expected and actual experience	61,470
Changes in assumptions and other inputs	74,415
Benefit payments	(166,881)
Net changes	<u>161,308</u>
Ending Balance, Total Pension Liability	<u>\$ 2,468,072</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.

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The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

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

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

	LGRS	LEOSSA	Total
Pension expense	\$ 3,519,981	\$ 251,025	\$ 3,771,006
Pension liability	7,860,141	2,468,072	10,328,213
Proportionate share of the net pension liability	0.28782%	N/A	-
Deferred of Outflows of Resources:			
Differences between expected and actual experience	1,345,855	165,605	1,511,460
Changes of assumptions	1,281,072	127,422	1,408,494
Net difference between projected and actual earnings on plan investments	191,720	-	191,720
Changes in proportion and differences between contributions and proportionate share of contributions	85,806	-	85,806
Benefit payments and administrative costs paid subsequent to the measurement date	1,861,399	85,208	1,946,607
Deferred of Inflows of Resources:			
Changes of assumptions	-	77,141	77,141
Changes in proportion and differences between contributions and proportionate share of contributions	96,281	-	96,281

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City and the ABC Board contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City and ABC Board. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR 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 required the City to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan.

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The City's contribution for the year ended June 30, 2020, was \$205,756. No amounts were forfeited. The City provides a Section 401(k) plan for this purpose. The ABC Board's contributions for the year ended June 30, 2020 were \$18,526.

City provides a 401K matching program where the City will match 50% of those employees' participating in the 401K program up to maximum of 2.50%.

Other Post-Employment Benefits (OPEB)

a. Healthcare Benefits

Plan Description. Under the terms of a City resolution, the City administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The City 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. Participating retired employees are required to pay for coverage based on the City's current funding rates for the group as determined by the third-party administrator. Health care and prescription drug coverage are available to eligible retirees under age 65. Dental coverage is available at the retirees' expense. The retiree may continue dependent coverage (and pay the full cost of this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the spouse becoming eligible for Medicare, upon the retiree becoming eligible for Medicare, or upon the retirees' death, whichever comes first. The City Council may amend the benefit provisions. A separate report was not issued for the plan. Retired employee members and active employee's membership in the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	City
Inactive members or beneficiaries currently receiving benefits	14
Active members	372
Total	386

Total OPEB Liability

The City's total OPEB liability of \$1,736,228 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 to 7.75 percent, including wage inflation
Discount rate	3.50 percent
Health Care Cost Trends:	
Pre-Medicare	7.25 percent for 2018 decreasing to an ultimate Rate of 4.75% by 2028

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Changes in the Total OPEB Liability

Balance as of July 1, 2019	\$ 1,661,964
Changes for the year:	
Service cost at the end of year	67,490
Interest	64,373
Difference between expected and actual experience	(103,568)
Changes in assumptions and other inputs	60,352
Benefit payments	(14,383)
Net changes	<u>74,264</u>
Balance as of June 30, 2020:	<u>\$ 1,736,228</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2018 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	<u>\$ 1,903,785</u>	<u>\$ 1,736,228</u>	<u>\$ 1,586,771</u>

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 1,539,302	\$ 1,736,228	\$ 1,972,320

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$54,491. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 237,106
Benefit payments made and administrative expenses incurred subsequent to the measurement date	178,554	-
Changes in assumptions and other inputs	53,849	409,698
	<u>\$ 232,403</u>	<u>\$ 646,804</u>

\$178,554 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year end June 30:

2021	\$ (84,372)
2022	(84,372)
2023	(84,372)
2024	(84,372)
2025	(84,372)
Thereafter	(171,095)
	<u>\$ (592,955)</u>

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Other Employee Benefits

Life Insurance. The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employee's Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan 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. The City also provides additional term life insurance and any amounts over the \$50,000 term life insurance limit is considered taxable. The contributions to the death benefit plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City and the ABC Board have no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City and the ABC Board, the City and the ABC Board does not determine the number of eligible participants. The City considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

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

Source	Amount
LGERS contributions to pension in current fiscal year	\$ 1,861,399
Benefit payments and administrative expenses for LEOSSA made subsequent to measurement date	85,208
OPEB benefit payments made subsequent to measurement date	178,554
Differences between expected and actual experience	1,511,460
Changes in assumptions	1,462,343
Net difference between projected and actual earnings on pension plan	191,720
Changes in proportion and differences between employer contributions and proportionate share of contributions.	85,806
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Total Deferred Outflows	\$ 5,376,490
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Deferred inflows of resources at year end comprised of the following:

	Statement of Net Position	General Fund Balance Sheet	Nonmajor Funds
Prepaid taxes	\$ 1,956	\$ 1,956	\$ -
Property taxes - General Fund	-	108,968	-
Other receivables	-	136,499	442,937
Changes in proportion and differences between employer and proportionate share of contributions	96,281	-	-
Total Deferred Inflows	<u>\$ 822,182</u>	<u>\$ 247,423</u>	<u>\$ 442,937</u>

Risk Management

- a. *General Liability, Surety Bonds, Property Insurance and Auto Liability.* The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases various insurance policies, including general liability and auto liability coverage of \$4 million per occurrence, property coverage of \$105,879,205 per occurrence (after a \$10,000 deductible). The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. The City's flood insurance is \$1,000,000 with a \$50,000 deductible. In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Director and the Tax Collector are bonded for \$250,000 and \$50,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.
- b. *Self-funded - Group Health.* The City is exposed to various risks of loss related to medical and illness needs of employees. The City and employees participate in a cost-share plan for group health insurance. The City established the Health Insurance Fund (Internal Service Fund) to account for its self-insurance plan. The City has contracted with the Aetna to administer the plan. The City is responsible for claims up to \$150,000 per covered employee/dependent per policy term. Claims greater than \$150,000 per covered employee/dependent per policy term, and those in excess of the aggregate stop loss of 125% of expected net claims, are insured by the private insurance carrier. All employees of the City are eligible to participate in the program and make payments to the Health Insurance Fund based on actuarial estimates of the amounts needed to pay claims. The claims liability of \$342,110 reported in the fund at June 30, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The \$342,110 claims liability represents total estimated claims incurred but not reported (IBNR), as provided by the plan administrator's actuary.

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- c. *Self-funded Workers' Compensation.* The City is self-funded for workers' compensation. Through this self-funded workers' compensation program, the City obtains workers' compensation coverage up to the statutory limits, with no deductible. The workers' compensation program is administered by a third-party administrator. The fund is reinsured through an insurance company for single occurrence losses of \$400,000 for all City employees. The claims liability of \$278,164 reported in the fund at June 30, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The \$278,164 claims liability represents total estimated claims incurred but not reported (IBNR), as provided by the plan administrator's actuary.

Claims and Judgments

At June 30, 2020, the City was a defendant to various lawsuits; however, no provision has been made in the financial statements for any contingent liabilities. In the opinion of the City's management and the City attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the City's financial position.

Long-Term Obligations

- a. *Notes Payable.* The City has one bank loan that is a Recovery Zone Economic Development bond payable to Branch Banking & Trust Company (BB&T). The City receives a subsidy of 45 percent of interest cost from the Federal Government that will reduce the effective interest rate of the bond. The Federal Government sequester has impacted the 45 percent subsidy by reducing their subsidy by the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions took place as of March 1, 2014. These required reductions included a reduction to refundable credits under Internal Revenue Code section 6431 applicable to certain qualified bonds. As a result, the City's refundable credit payment was reduced by 6.6%. The sequestration reduction rate will be applied until intervening Congressional action, at which time the sequestration rate is subject to change.

The ABC Board's annual report dated June 30, 2020 reported the following outstanding long-term debt:

The ABC Board has a note payable with a bank secured by real estate. At June 30, 2020, the outstanding balance was \$575,257. Monthly payments of principal and interest are \$5,265 per month. The note bears interest rate of 3.25% per annum. Maturity is on May 24, 2021. Maturities are as follows:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 575,257	\$ 16,581
Total	<u>\$ 575,257</u>	<u>\$ 16,581</u>

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The ABC Board has a line of credit with a bank that is unsecured. At June 30, 2020, the outstanding balance was \$0. The note bears interest at 4.125% per annum and matures on December 31, 2048.

The ABC Board's accumulated vacation at June 30, 2020 was \$42,120. The current portion of the accumulated vacation pay is not considered material.

Serviced by the General Fund:

Original issue \$7,000,000, Recovery Zone Economic Development bonds payable to Branch Banking & Trust Company in 10 annual installments of \$700,000 beginning on December 16, 2011 through 2020 plus interest at 3.50%. The City had received a subsidy of 45% of interest cost from the Federal Government; however, the subsidy has been reduced to 38% as a result of the Federal sequester. The note is secured by a Deed of Trust. \$ 700,000

Original issue \$1,250,000, Equipment Lease Purchase Agreement payable to Capital One in 7 annual installments of \$202,755 beginning on June 15, 2020 through 2026 plus interest at 3.28 percent. The note is secured by a lien on the Equipment. 1,250,000

Total Serviced by the General Fund:	\$	1,950,000
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Serviced by the Water and Sewer Fund:

2.60% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 19 annual installments of \$150,000 beginning in 2004 through 2022, plus applicable interest. \$ 300,000

2.87% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 19 annual installments of \$123,403 beginning in 2004 through 2023, plus applicable interest. 370,208

2.66% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 20 annual installments of \$728,127 beginning in 2007 through 2026, plus applicable interest. 4,368,761

2.00% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 20 annual installments of \$968,698 beginning in 2007 through 2026, plus applicable interest. 14,530,469

No interest rate note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 20 annual installments beginning with \$237,247 reduced to \$192,401 and annual of \$222,999 thereafter through 2036. 3,556,778

Total clean water state revolving funds	\$	23,126,216
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Total Outstanding Debt	\$	25,076,216
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The City's outstanding notes from direct placements related to governmental activities is \$1,950,000.

A note of \$700,000 which is secured with collateral of the items being created with the debt contains a provision that an event of default would result in: (1) the timing of repayment of outstanding amounts become immediately due; (2) enforce the City's performance of the

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applicable covenants of the agreement or recover for the breach thereof; (3) pay over any balance remaining in any applicable project funds to be applied against outstanding required payments in any manner the bank may reasonably deem appropriate; and (4) avail itself of all available remedies under the agreement, including execution and foreclosure under execution on personal property or foreclosure and recovery of attorney's fees and other expenses.

A note of \$1,250,000 which is secured with collateral of the items being created with the debt contains a provision that an event of default would result in: (1) the timing of repayment of outstanding amounts become immediately due; (2) enforce the City's performance of the applicable covenants of the agreement or recover for the breach thereof; (3) pay over any balance remaining in any applicable project funds to be applied against outstanding required payments in any manner the bank may reasonably deem appropriate; and (4) avail itself of all available remedies under the agreement, including execution and foreclosure under execution on personal property or foreclosure and recovery of attorney's fees and other expenses.

The City's outstanding notes from direct borrowings related to business-type activities is \$23,126,216.

A direct borrowing note of \$300,000 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$370,208 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$4,368,761 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$14,530,469 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$3,556,778 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

The following table summarizes the annual requirements to amortize all long-term debt outstanding:

	Notes Payable		Total Debt
	Principal	Interest	Payment
<u>Governmental activities:</u>			
2021	\$ 861,755	\$ 53,250	\$ 915,005
2022	167,246	35,510	202,755
2023	172,732	30,024	202,755
2024	178,398	24,358	202,755
2025	184,249	18,507	202,755
2026-2027	385,621	18,685	404,305
Total Governmental	1,950,000	180,332	2,130,332
<u>Business-type activities - Water and Sewer Fund:</u>			
2021	2,192,526	425,243	2,617,770
2022	2,192,526	379,060	2,571,586
2023	2,042,526	332,876	2,375,402
2024	1,919,123	290,592	2,209,715
2025	1,919,123	251,850	2,170,973
2026-2030	6,683,110	794,327	7,477,436
2031-2036	6,177,281	290,609	6,467,891
Total Water and Sewer Fund	23,126,216	2,764,557	25,890,773
Total Business-type	23,126,216	2,764,557	25,890,774
TOTAL DEBT	\$ 25,076,216	\$ 2,944,889	\$ 28,021,106

At June 30, 2020, the City of Statesville's legal debt margin is \$262,115,000.

	Beginning			Ending	Current	Long-term
	Balance	Additions	Decreases	Balance	Portion of	Portion of
					Balance	Balance
<u>Governmental Activities:</u>						
<u>General Fund:</u>						
Notes Payable from						
direct placement	\$ 1,594,700	\$ 1,250,000	\$ 894,700	\$ 1,950,000	\$ 861,755	\$ 1,088,245
Net Pension Liability (LGERS)	5,305,490	584,914	-	5,890,404	-	5,890,404
Total OPEB Liability	1,263,092	55,699	-	1,318,791	-	1,318,791
Total Pension Liability (LEOSSA)	2,306,764	161,308	-	2,468,072	-	2,468,072
Compensated Absences	2,313,931	80,828	14,531	2,380,228	952,091	1,428,137
Total Government Activities	\$ 12,783,977	\$ 2,132,749	\$ 909,231	\$ 14,007,495	\$ 1,813,846	\$ 12,193,649

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

	Beginning Balance	Additions	Decreases	Ending Balance	Current Portion of Balance	Long-term Portion of Balance
Business-Type Activities:						
Airport Fund:						
Net Pension Liability (LGERS)	\$ 49,556	\$ 7,799	\$ -	\$ 57,355	\$ -	\$ 57,355
Total OPEB Liability	16,620	742	-	17,362	-	17,362
Compensated Absences	17,071	11,293	-	28,364	11,347	17,017
Total Airport Fund	83,247	19,834	-	103,081	11,347	91,734
Electric Fund:						
Net Pension Liability (LGERS)	558,468	62,391	-	620,859	-	620,859
Total OPEB Liability	132,957	5,941	-	138,898	-	138,898
Compensated Absences	383,464	67,604	1,114	449,954	179,982	269,972
Total Electric Fund	1,074,889	135,936	1,114	1,209,711	179,982	1,029,729
Water and Sewer Fund:						
Notes Payable from direct borrowings	25,318,743	-	2,192,527	23,126,216	2,192,526	20,933,690
Net Pension Liability (LGERS)	1,039,553	101,385	-	1,140,938	-	1,140,938
Total OPEB Liability	216,056	9,654	-	225,710	-	225,710
Compensated Absences	275,596	40,947	-	316,543	126,617	189,926
Total Water and Sewer Fund	26,849,948	151,986	2,192,527	24,809,407	2,319,143	22,490,264
Stormwater Fund:						
Net Pension Liability (LGERS)	-	7,799	-	7,799	-	7,799
Total OPEB Liability	-	742	-	742	-	742
Compensated Absences	-	5,740	-	5,740	2,297	3,443
Total Stormwater Fund	-	14,281	-	14,281	2,297	11,984
Civic Center Fund:						
Net Pension Liability (LGERS)	127,188	15,598	-	142,786	-	142,786
Total OPEB Liability	33,240	1,485	-	34,725	-	34,725
Compensated Absences	56,585	-	25,236	31,349	12,540	18,809
Total Civic Center Fund	217,013	17,083	25,236	208,860	12,540	196,320
Total Business-Type Activities	\$ 28,225,097	\$ 339,120	\$ 2,218,877	\$ 26,345,340	\$ 2,525,309	\$ 23,820,031

Compensated absences for governmental activities have typically been liquidated in the General Fund. Pension liabilities and OPEB liability typically have been liquidated in the General Fund.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

B. 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 provided as matching funds for various grant programs.

Transfer to/from are for payment in lieu of taxes, for administrative charges, and for capital expenditures.

Transfers to/from for the year ended June 30, 2020 consist of the following:

From Occupancy Fund to Civic Center Fund for tourism promotion	\$ 1,813,145
From Airport Fund to General Fund for payments in lieu of taxes	64,284
From Electric Fund to General Fund for payments in lieu of taxes	113,289
From Water and Sewer Fund to General Fund for payment in lieu of taxes	334,126
From General Fund to Domestic Violence Fund for matching requirements	36,765
From Occupancy Tax Fund to General Fund for support	19,358
From Water and Sewer Fund to General Fund for support	1,490,501
From Civic Center Fund to General Fund for support	138,654
From Airport Fund to General Fund for support	165,998
From Electric Fund to General Fund for support	1,384,827
From Stormwater Fund to General Fund for support	545,821
From E-911 to General Fund for eligible expenditures	15,158
From Civic Center Fund to General Fund for payment in lieu of taxes	<u>24,153</u>
Total	<u><u>\$ 6,146,079</u></u>

The composition of interfund balances as of June 30, 2020 is as follows:

An interfund loan of \$5,474,161 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans.

Serviced by the Airport Fund:

A variable rate interfund loan from the Electric Fund to the Airport Fund in 20 annual installments of \$273,708 beginning in 2022 through 2041, plus applicable interest.

\$ 5,474,161

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

The following table summarizes the annual requirements to amortize all interfund payables:

Business-type activities - Airport Fund:

2021	\$	-	\$	88,955	\$	88,955
2022		273,708		88,955		362,663
2023		273,708		52,005		325,713
2024		273,708		49,267		322,975
2025		273,708		46,530		320,238
2026-2030		1,368,540		191,596		1,560,136
2031-2035		1,368,540		123,169		1,491,709
2036-2041		1,642,248		57,479		1,699,727
		<hr/>				
Total Airport Fund	\$	5,474,161	\$	697,956	\$	6,172,117

III. JOINTLY GOVERNED ORGANIZATIONS

North Carolina Municipal Power Agency Number 1

The City is a member of the North Carolina Municipal Power Agency Number 1 (Agency). The purpose of the Agency was to issue bonds and to purchase a 75% interest in the Catawba Project Number 2 Nuclear Station Generating Plant and a 37% interest in the Support Facilities of the Station. The City of Statesville is contractually allocated, under power sales agreement, a 9.8639% interest in the Agency, with the balance being shared by eighteen other municipalities. Each municipality appoints one commissioner to the Agency's governing board.

The Agency's outstanding long-term debt less current maturities as of December 31, 2017 was \$974,125,000. The City of Statesville, in the event of payment default by other members, would be liable for a pro rata share of the increase, not to exceed 125% of the originally agreed-upon share. Therefore, the City's share would never exceed 12.3299% of the total operating expenses (including debt service) of the Agency.

The City is billed monthly for 9.8639% of the operating expenditures (including debt service) of the Agency and is obligated to purchase all bulk power supply requirements from the Agency. All payments to the Agency by the City must be made from operating revenues of the Electric Fund, and cannot, by law, be paid by other revenues earned or taxes levied by the City. The City agrees that it will fix and collect rates at a sufficient amount to provide for the pro rata costs and other operating expenses of its Electric Fund. Except for the power sales purchase requirements, no municipality has any obligation, entitlement, or residual interest. The City's purchase of power for the fiscal year ended June 30, 2020 totaled \$33,868,141 to the Agency, \$749,954 to the Southeast Power Agency and \$10,525 for customer's co-generation for a total of \$34,628,620.

Centralina Council of Governments

The City, in conjunction with eight counties and 49 other municipalities established the Centralina Council of Governments (COG). The participating governments established the COG to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the COG's governing board. The City paid membership fees of \$6,190 to the COG during the fiscal year ended June 30, 2020.

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

IV. JOINT VENTURE

The City and the members of the City's fire department each appoint two members to the five-member local Board of Trustees for the Firefighter's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Fireman's Relief Fund is funded by a portion of the fire and lighting insurance premiums that insurers remit to the state. The state passes these moneys to the local board of the Firefighter's Relief Fund. The funds are used to assist fire fighters in various ways. The City obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the City's fire department by the Board of Trustees. 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, 2020. The Firefighter's Relief Fund does not issue separate audited financial statements. Instead, the local Board of Trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

V. RELATED ORGANIZATION

The five-member Board of the City of Statesville Housing Authority is appointed by the Mayor of the City of Statesville. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of Statesville is also disclosed as a related organization in the notes to the financial statements for the City of Statesville Housing Authority.

VI. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal-and State-Assisted Programs

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

VII. NET INVESTMENT IN CAPITAL ASSETS

	<u>Governmental</u>	<u>Business-Type</u>
Capital assets	\$ 46,321,100	\$ 141,584,766
less: long-term debt	<u>1,950,000</u>	<u>23,126,216</u>
Net investment in capital assets	<u>\$ 44,371,100</u>	<u>\$ 118,458,550</u>

CITY OF STATESVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

VIII. FUND BALANCE

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

Total fund balance - General Fund	<u>\$ 24,802,140</u>
Less: Inventory	15,859
Stabilization by state statute	5,521,039
Transportation	148,823
Separation Allowance-law enforcement	266,125
Subsequent year's appropriations	1,048,000
Prepays	<u>9,212</u>
Unassigned-available for appropriations	<u><u>\$ 17,793,082</u></u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances at year end for the General Fund were \$1,757,627.

IX. Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact City revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

**CITY OF STATESVILLE, NORTH CAROLINA
REQUIRED SUPPLEMENTARY
FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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CITY OF STATESVILLE, NORTH CAROLINA
CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE LAST SEVEN FISCAL YEARS*

Local Government Employees' Retirement System							
	2020	2019	2018	June 30 2017	2016	2015	2014
Proportionate share of net pension liability (asset) (%)	0.28782%	0.29845%	0.28311%	0.28086%	0.28086%	0.28690%	0.28690%
Proportionate share of net pension liability (asset) (\$)	\$ 7,860,141	\$ 7,080,255	\$ 4,325,137	\$ 5,888,631	\$ 1,260,485	\$ (1,659,191)	\$ (1,659,191)
City's covered payroll	\$ 19,384,497	\$ 18,850,298	\$ 17,591,482	\$ 16,458,629	\$ 16,309,037	\$ 16,030,322	\$ 15,836,817
Proportionate share of net pension liability (asset) (%) as a percentage of its covered payroll	40.55%	37.56%	24.59%	35.78%	7.73%	-10.35%	-10.48%
Plan fiduciary net pension as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

*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.

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

CITY OF STATESVILLE, NORTH CAROLINA
CITY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE LAST SEVEN FISCAL YEARS

Local Government Employees' Retirement System							
	June 30						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,861,399	\$ 1,543,698	\$ 1,447,773	\$ 1,315,412	\$ 1,126,523	\$ 1,165,415	\$ 1,140,919
Contributions in relation to the contractually required contribution	1,861,399	1,543,698	1,447,773	1,315,412	1,126,523	1,165,415	1,140,919
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 20,331,842	\$ 19,384,497	\$ 18,850,298	\$ 17,591,482	\$ 16,458,629	\$ 16,309,037	\$ 16,030,322
Contributions as a percentage of covered payroll	9.16%	7.96%	7.68%	7.48%	6.84%	7.15%	7.12%

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

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS

	2020	2019	2018	2017
Beginning balance	\$ 2,306,764	\$ 2,281,664	\$ 1,929,764	\$ 1,937,151
Service cost	111,375	125,980	95,883	102,230
Interest on the total pension liability	80,929	70,129	72,159	66,877
Differences between expected and actual experience in the measurement of the total pension liability	61,470	44,390	171,979	-
Changes of assumptions or other inputs	74,415	(90,641)	132,613	(48,826)
Benefit payments	(166,881)	(124,758)	(120,734)	(127,668)
Ending balance of the total pension liability	<u>\$ 2,468,072</u>	<u>\$ 2,306,764</u>	<u>\$ 2,281,664</u>	<u>\$ 1,929,764</u>

Notes to the Schedules:

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

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

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,468,072	\$ 2,306,764	\$ 2,281,664	\$ 1,929,764
Covered payroll	4,050,651	4,156,675	3,706,169	3,735,880
Total pension liability as a percentage of covered payroll	60.93%	55.50%	61.56%	51.65%

Notes to the Schedules:

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

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

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 67,490	\$ 98,829	\$ 107,392
Interest	64,372	74,873	66,822
Difference between expected and actual experience	(103,568)	(118,327)	(77,511)
Changes in assumptions and other inputs	60,352	(422,577)	(116,839)
Benefit payments	(14,383)	(146,710)	(47,642)
Net changes	74,263	(513,912)	(67,778)
Total OPEB liability, beginning of fiscal year:	1,661,965	2,175,877	2,243,655
Total OPEB liability, end of fiscal year:	<u>\$ 1,736,228</u>	<u>\$ 1,661,965</u>	<u>\$ 2,175,877</u>
Covered payroll	\$ 17,470,359	\$ 17,470,359	\$ 14,570,229
Total OPEB liability as a percentage of covered payroll	9.94%	9.51%	14.93%

Notes to Required Schedule:

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

Fiscal Year	Rate
2020	3.50%
2019	3.89%
2018	3.56%

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

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MAJOR GOVERNMENTAL FUND

The **General Fund** is the principal fund of the City and is used to account for all activities of the City not included in other specified funds. The **General Fund** accounts for the normal recurring activities of the City.

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CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
REVENUES:			
Ad valorem property taxes:			
Ad valorem taxes (city-wide)	\$ 17,390,927	\$ 17,734,254	\$ 343,327
Prior years ad valorem taxes (city-wide)	213,000	211,628	(1,372)
Ad valorem taxes (special districts)	109,285	112,433	3,148
Penalties and interest	118,000	126,825	8,825
Total ad valorem property taxes	17,831,212	18,185,140	353,928
Other taxes and licenses:			
Gross receipt tax	47,000	47,221	221
Privilege licenses - beer and wine	2,500	1,480	(1,020)
Total other taxes and licenses	49,500	48,701	(799)
Unrestricted intergovernmental revenues:			
Local sales tax	7,049,000	7,721,304	672,304
Electric/natural gas tax	2,159,000	2,098,227	(60,773)
State beer and wine tax	112,000	111,088	(912)
Telecommunication tax	175,000	166,272	(8,728)
Video programming tax	105,000	124,898	19,898
ABC profit distribution	150,272	174,204	23,932
ABC law enforcement distribution	16,652	24,391	7,739
ABC liquor by the drink	20,000	44,239	24,239
Total unrestricted intergovernmental	9,786,924	10,464,623	677,699
Restricted intergovernmental:			
Powell Bill allocation	736,939	732,263	(4,676)
Solid waste tax	18,000	19,546	1,546
Fire SAFER grant	295,200	404,471	109,271
JAG and other law enforcement grants	68,358	3,781	(64,577)
Federal interest subsidy for debt interest	19,541	19,761	220
N.C. Governor's Crime Commission	51,910	15,929	(35,981)
N.C. Dept of Commerce Economic Development Grant	300,000	-	(300,000)
COPS grant	152,000	171,918	19,918
Total restricted intergovernmental	1,641,948	1,367,669	(274,279)
Permits and fees:			
Planning and zoning fees	25,000	32,763	7,763
Nuisance abatements	20,000	30,725	10,725
Court fees	11,000	521	(10,479)
Parking violations	20,000	18,279	(1,721)
Civil citations	2,500	1,328	(1,172)
Fire inspection fees	75,000	43,406	(31,594)
Street cut permits	150	150	-
Total permits and fees	153,650	127,172	(26,478)

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
REVENUES (Continued):			
Sales and services:			
Statesville Housing Authority police protection	60,951	55,951	(5,000)
School System resource police officers	171,845	188,743	16,898
Assessment interest	102	-	(102)
Assessment revenues	501	-	(501)
Solid Waste residential fees	1,035,000	1,074,681	39,681
Commercial sanitation fee	138,000	142,501	4,501
Recycling revenue	6,940	-	(6,940)
Internal charges	8,220	8,218	(2)
Recreation-general	83,216	50,584	(32,632)
Civic Center sales	5,914	6,210	296
Recreation-Fitness/Activity Center	200,000	175,042	(24,958)
SFAC employee membership	6,180	6,724	544
Recreation-pool sales	188,470	132,401	(56,069)
Sale of cemetery lots	89,378	79,150	(10,228)
Grave fees	75,064	74,950	(114)
Demolition fees	-	17,208	17,208
Hazmat response	20,000	19,988	(12)
Memorial trees	200	776	576
Total sales and services	2,089,981	2,033,127	(56,854)
Investment earnings:			
Earned interest	362,486	250,435	(112,051)
Total investment earnings	362,486	250,435	(112,051)
Miscellaneous:			
Insurance proceeds	15,000	18,172	3,172
Sale of capital assets	25,597	66,521	40,924
Donations sculpture park	1,500	-	(1,500)
Donations	4,500	4,500	-
Handling charge bad check	-	25	25
Sale of material and labor	2,500	2,887	387
Balloon Festival	-	7,000	7,000
Miscellaneous other	30,000	64,786	34,786
Total miscellaneous	79,097	163,891	84,794
Total revenues	31,994,798	32,640,758	645,960
EXPENDITURES:			
General government:			
Mayor and Council:			
Salaries and employee benefits		103,036	
Professional services		9,464	
Operating expenditures		120,475	
Total mayor and council	257,104	232,975	24,129

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
EXPENDITURES (Continued):			
General government (continued):			
City Manager:			
Salaries and employee benefits		565,438	
Professional services		39,240	
Operating expenditures		38,586	
Total city manager	674,514	643,264	31,250
City Clerk:			
Salaries and employee benefits		77,064	
Operating expenditures		76,422	
Total city clerk	193,383	153,486	39,897
Finance Department:			
Salaries and employee benefits		897,441	
Professional services		102,901	
Operating expenditures		516,730	
Total finance department	1,648,606	1,517,072	131,534
Human Resources:			
Salaries and employee benefits		336,807	
Professional services		81,507	
Operating expenditures		80,687	
Total human resources	577,181	499,001	78,180
Information Technology:			
Salaries and employee benefits		895,449	
Professional services		20,673	
Operating expenditures		281,580	
Capital outlay		89,282	
Total information technology	1,844,557	1,286,984	557,573
Legal:			
Operating expenditures		177,908	
Total legal	181,500	177,908	3,592
Planning and Zoning:			
Salaries and employee benefits		674,361	
Professional services		66,887	
Operating expenditures		276,922	
Total planning and zoning	1,298,694	1,018,170	280,524

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
EXPENDITURES (Continued):			
General government (continued):			
Main Street:			
Operating expenditures		181,919	
Total Main Street	189,577	181,919	7,658
Public Works and Engineering:			
Salaries and employee benefits		467,770	
Professional services		33,679	
Operating expenditures		44,364	
Total public works and engineering	622,634	545,813	76,821
Garage:			
Salaries and employee benefits		482,046	
Operating expenditures		92,131	
Capital outlay		32,285	
Total garage	697,496	606,462	91,034
Warehouse:			
Operating expenditures		149,899	
Total warehouse	178,316	149,899	28,417
General expense:			
Miscellaneous		56,033	
I-CATS transportation		40,000	
Total general expense	859,226	96,033	763,193
Special appropriations:			
Arts council	3,325	3,325	-
Children's Home of Iredell County	3,750	3,750	-
Council on Aging	5,750	5,750	-
Iredell County Rescue Squad	6,500	6,500	-
Lifespan Vocational Workshop	25,000	25,000	-
Elderly Nutrition Program	3,731	3,731	-
Counseling Center	9,560	9,560	-
Iredell Senior Center	4,600	4,600	-
Fifth Street Ministry	4,000	4,000	-
Iredell County Children's Museum	3,570	3,570	-
Total special appropriation	69,786	69,786	-
Total general government	9,292,574	7,178,772	2,113,802

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
EXPENDITURES (Continued):			
Public safety:			
Police:			
Salaries and employee benefits		7,542,620	
Professional services		23,097	
Operating expenditures		1,599,598	
Capital outlay		571,047	
Total police	<u>10,353,055</u>	<u>9,736,362</u>	<u>616,693</u>
Fire service:			
Salaries and employee benefits		5,614,198	
Professional services		6,282	
Operating expenditures		854,559	
Capital outlay		1,312,929	
Total fire service	<u>9,046,995</u>	<u>7,787,968</u>	<u>1,259,027</u>
Total public safety	<u>19,400,050</u>	<u>17,524,330</u>	<u>1,875,720</u>
Transportation:			
Street Department:			
Salaries and employee benefits		809,271	
Operating expenditures		869,585	
Capital outlay		27,167	
Total street department	<u>2,114,925</u>	<u>1,706,023</u>	<u>408,902</u>
Street Construction:			
Operating expenditures		101,031	
Capital outlay		491,090	
Total street construction	<u>670,482</u>	<u>592,121</u>	<u>78,361</u>
Total transportation	<u>2,785,407</u>	<u>2,298,144</u>	<u>487,263</u>
Economic and physical development:			
Operating expenditures		15,000	
Total economic and physical development	<u>1,434,750</u>	<u>15,000</u>	<u>1,419,750</u>
Environmental protection:			
Sanitation:			
Salaries and employee benefits		1,309,958	
Operating expenditures		386,030	
Capital outlay		1,173,417	
Total environmental protection	<u>3,045,047</u>	<u>2,869,405</u>	<u>175,642</u>

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
EXPENDITURES (Continued):			
Cultural and recreation:			
Recreation - administration:			
Salaries and employee benefits		217,867	
Professional services		25,979	
Operating expenditures		223,240	
Capital outlay		36,329	
Total administration	<u>750,816</u>	<u>503,415</u>	<u>247,401</u>
Recreation - athletics:			
Salaries and employee benefits		105,800	
Operating expenditures		46,270	
Total athletics	<u>256,466</u>	<u>152,070</u>	<u>104,396</u>
Recreation - fitness center:			
Salaries and employee benefits		308,245	
Operating expenditures		130,009	
Total fitness center	<u>521,081</u>	<u>438,254</u>	<u>82,827</u>
Recreation - programs:			
Salaries and employee benefits		209,137	
Operating expenditures		59,170	
Total programs	<u>314,760</u>	<u>268,307</u>	<u>46,453</u>
Recreation - leisure pool:			
Salaries and employee benefits		70,046	
Operating expenditures		76,534	
Capital outlay		133,427	
Total leisure pool	<u>365,607</u>	<u>280,007</u>	<u>85,600</u>
Recreation - park maintenance			
Salaries and employee benefits		925,974	
Operating expenditures		476,625	
Capital outlay		89,454	
Total park maintenance	<u>1,705,159</u>	<u>1,492,053</u>	<u>213,106</u>
Recreation - public grounds and cemetery:			
Salaries and employee benefits		356,443	
Operating expenditures		237,083	
Capital outlay		57,579	
Total public grounds and cemetery	<u>757,566</u>	<u>651,105</u>	<u>106,461</u>
Total culture and recreation	<u>4,671,455</u>	<u>3,785,211</u>	<u>886,244</u>

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
EXPENDITURES (Continued):			
Debt service:			
Principal payment		894,700	
Interest payment		46,543	
Total debt service	1,144,244	941,243	203,001
Contingency:			
Contingency	414,116	-	414,116
Total expenditures	42,187,643	34,612,105	7,575,538
Revenues over (under) expenditures	(10,192,845)	(1,971,347)	8,221,498
OTHER FINANCING SOURCES (USES):			
Transfers in:			
Internal PILOT - Airport PILOT	64,284	64,284	-
Internal PILOT - Water & Sewer PILOT	113,289	113,289	-
Internal PILOT - Civic Center PILOT	24,153	24,153	-
Internal PILOT - Electric PILOT	334,126	334,126	-
Reimbursements - Occupancy Tax	21,550	19,358	(2,192)
Reimbursements - Water & Sewer	1,490,501	1,490,501	-
Reimbursements - Civic Center	138,654	138,654	-
Reimbursement - Airport	165,998	165,998	-
Reimbursements - Electric	1,384,827	1,384,827	-
Reimbursements - Stormwater	545,821	545,821	-
Transfers From Secondary E-911	-	15,158	15,158
Transfers From General Capital Reserve	920,299	-	(920,299)
Total transfers in	5,203,502	4,296,169	(907,333)
Transfers (out):			
Transfers to Domestic Violence	(36,765)	(36,765)	-
Total transfers out	(36,765)	(36,765)	-
Proceeds from long-term debt	-	1,250,000	1,250,000
Fund balance appropriated	5,026,108	-	(5,026,108)
Total other financing sources (uses)	10,192,845	5,509,404	(4,683,441)
Net change in fund balance	\$ -	3,538,057	\$ 3,538,057
Fund balances at beginning of year		21,264,083	
Fund balances at end of year		\$ 24,802,140	

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NONMAJOR GOVERNMENTAL FUNDS

Occupancy Tax Fund - accounts for receipts from a local hotel/motel occupancy tax that are restricted to the operation of a civic center and the promotion of travel and tourism.

Home Program Fund - accounts for participation in the Cabarrus/Iredell/Rowan Home Consortium and related grant activity. The funds are restricted to be used for the construction or rehabilitation of private dwellings and administrative costs associated with the grant. Closed to the Home Program Fund.

Drug Enforcement Fund - accounts for monies reserved for drug enforcement expenditures.

Domestic Violence Grant Fund - accounts for presentation and support for victims of domestic violence.

Economic Development Fund - accounts for economic grants from state and federal governments.

Secondary E-911 Fund - accounts for monies reserved for E-911 service expenditures.

General Equipment Capital Reserve Fund - accounts for monies restricted to the purchase of general capital assets.

Streetscape Capital Project - accounts for the downtown infrastructure renewal.

Transportation Grant - TAP - accounts for capital improvements to public right ways.

Brookdale NC-21 Connector - accounts for capital improvements to public right ways.

Shelton Avenue Multi-Use Path - accounts for capital improvements to public right ways.

Municipal Service Center Fund - accounts for construction of a fire station and other governmental activities that is designed to better service City residences.

Bethlehem Road Capital Project Fund - accounts for capital improvements to Bethlehem Road.

CITY OF STATESVILLE, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Occupancy Tax Fund	Home Program Fund	Drug Enforcement Fund	Domestic Violence Grant Fund	Economic Development Fund	Secondary E-911 Fund	Total Nonmajor Special Revenue Funds	General Equipment Capital Reserve Fund
ASSETS:								
Cash and cash equivalents	\$ 37,117	\$ 261,667	\$ 154,226	\$ 14,366	\$ -	\$ 79,009	\$ 546,385	\$ 2,181,433
Interest receivable	1,973	462	272	2	-	166	2,875	3,852
Accounts receivable, net	-	-	-	-	-	3,534	3,534	-
Due from other governments	-	45,594	-	22,969	-	-	68,563	-
Total assets	\$ 39,090	\$ 307,723	\$ 154,498	\$ 37,337	\$ -	\$ 82,709	\$ 621,357	\$ 2,185,285
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY:								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 5,384	\$ -	\$ -	\$ 5,384	\$ -
Total current liabilities	-	-	-	5,384	-	-	5,384	-
DEFERRED INFLOWS:								
Other receivables	-	-	-	22,969	-	-	22,969	-
Total deferred inflows	-	-	-	22,969	-	-	22,969	-
FUND EQUITY:								
Stabilization by state statute	1,973	46,056	272	2	-	3,700	52,003	3,852
Restricted, other	37,117	261,667	154,226	8,982	-	79,009	541,001	-
Committed	-	-	-	-	-	-	-	2,181,433
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	39,090	307,723	154,498	8,984	-	82,709	593,004	2,185,285
Total liabilities, deferred inflows, and fund equity	\$ 39,090	\$ 307,723	\$ 154,498	\$ 37,337	\$ -	\$ 82,709	\$ 621,357	\$ 2,185,285

CITY OF STATESVILLE, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Streetscape Capital Fund	Transportation Grant -TAP	Brookdale NC-21 Connector	Shelton Ave. Multi-Use Path	Municipal Service Center Fund	Bethlehem Road Capital Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS:								
Cash and cash equivalents	\$ 392,129	\$ 377,439	\$ 461,896	\$ 13,035	\$ 194,143	\$ 2,599,244	\$ 6,219,319	\$ 6,765,704
Interest receivable	691	668	817	23	343	4,591	10,985	13,860
Accounts receivable, net	-	-	284,526	135,442	-	-	419,968	423,502
Due from other governments	-	-	-	-	-	-	-	68,563
Total assets	\$ 392,820	\$ 378,107	\$ 747,239	\$ 148,500	\$ 194,486	\$ 2,603,835	\$ 6,650,272	\$ 7,271,629
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY:								
Liabilities:								
Accounts payable	\$ 1,160	\$ -	\$ -	\$ 25,721	\$ -	\$ -	\$ 26,881	\$ 32,265
Total current liabilities	1,160	-	-	25,721	-	-	26,881	32,265
DEFERRED INFLOWS								
Other receivables	-	-	284,526	135,442	-	-	419,968	442,937
Total deferred inflows	-	-	284,526	135,442	-	-	419,968	442,937
FUND EQUITY:								
Stabilization by state statute	691	668	817	23	343	4,591	10,985	62,988
Restricted, other	-	-	-	-	-	-	-	541,001
Committed	390,969	377,439	461,896	-	194,143	2,599,244	6,205,124	6,205,124
Unassigned	-	-	-	(12,686)	-	-	(12,686)	(12,686)
Total fund balances	391,660	378,107	462,713	(12,663)	194,486	2,603,835	6,203,423	6,796,427
Total liabilities, deferred inflows, and fund equity	\$ 392,820	\$ 378,107	\$ 747,239	\$ 148,500	\$ 194,486	\$ 2,603,835	\$ 6,650,272	\$ 7,271,629

CITY OF STATESVILLE, NORTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Occupancy Tax Fund	Home Program Fund	Drug Enforcement Fund	Domestic Violence Grant Fund	Economic Development Fund	Secondary E-911 Fund	Total Nonmajor Special Revenue Funds	General Equipment Capital Reserve Fund
REVENUES:								
Other taxes and licenses	\$ 935,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 935,586	\$ -
Restricted intergovernmental	-	-	26,742	86,027	-	42,408	155,177	-
Investment earnings	16,666	3,540	2,102	36	-	943	23,287	29,103
Miscellaneous	1,088	-	-	-	-	-	1,088	-
Total revenues	953,310	3,540	28,844	86,063	-	43,351	1,115,108	29,103
EXPENDITURES:								
Public safety:								
Operating expenditures	-	-	17,104	140,310	-	-	157,414	-
Economic and physical development:								
Operating expenditures	163,226	16,950	-	-	-	-	180,176	-
Capital outlay	-	-	-	-	-	-	-	-
Transportation:								
Capital outlay	-	-	-	-	-	-	-	-
General government								
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	163,226	16,950	17,104	140,310	-	-	337,590	-
Revenues over (under) expenditures	790,084	(13,410)	11,740	(54,247)	-	43,351	777,518	29,103
OTHER FINANCING SOURCES (USES):								
Transfers in:								
General Fund	-	-	-	36,765	-	-	36,765	-
Transfers out:								
General Fund	(19,358)	-	-	-	-	(15,158)	(34,516)	-
Civic Center	(1,813,145)	-	-	-	-	-	(1,813,145)	-
Total other financing sources (uses)	(1,832,503)	-	-	36,765	-	(15,158)	(1,810,896)	-
Net change in fund balance	(1,042,419)	(13,410)	11,740	(17,482)	-	28,193	(1,033,378)	29,103
Fund balances at beginning of year	1,081,509	321,133	142,758	26,466	-	54,516	1,626,382	2,156,182
Fund balances at end of year	\$ 39,090	\$ 307,723	\$ 154,498	\$ 8,984	\$ -	\$ 82,709	\$ 593,004	\$ 2,185,285

CITY OF STATESVILLE, NORTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Streetscape Capital Fund	Transportation Grant -TAP	Brookdale NC-21 Connector	Shelton Ave. Multi-Use Path	Municipal Service Center Fund	Bethlehem Road Capital Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:								
Other taxes and licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 935,586
Restricted intergovernmental	-	-	-	-	-	-	-	155,177
Investment earnings	5,310	5,058	5,786	915	2,873	34,678	83,723	107,010
Miscellaneous	-	-	-	-	-	-	-	1,058
Total revenues	5,310	5,058	5,786	915	2,873	34,678	83,723	1,198,831
EXPENDITURES:								
Public safety:								
Operating expenditures	-	-	-	-	-	-	-	157,414
Economic and physical development:								
Operating expenditures	-	-	-	-	-	-	-	180,176
Capital outlay	68,898	-	-	-	-	-	68,898	68,898
Transportation:								
Capital outlay	-	7,607	163,283	169,302	-	-	340,192	340,192
General government								
Capital outlay	-	-	-	-	315,617	-	315,617	315,617
Total expenditures	68,898	7,607	163,283	169,302	315,617	-	724,707	1,062,297
Revenues over (under) expenditures	(63,588)	(2,549)	(157,497)	(168,387)	(312,744)	34,678	(640,984)	136,534
OTHER FINANCING SOURCES (USES):								
Transfers in:								
General Fund	-	-	-	-	-	-	-	36,765
Transfers out:								
General Fund	-	-	-	-	-	-	-	(34,516)
Civic Center	-	-	-	-	-	-	-	(1,813,145)
Total other financing sources (uses)	-	-	-	-	-	-	-	(1,810,896)
Net change in fund balance	(63,588)	(2,549)	(157,497)	(168,387)	(312,744)	34,678	(640,984)	(1,674,362)
Fund balances at beginning of year	455,248	380,656	620,210	155,724	507,230	2,569,157	6,844,407	8,470,789
Fund balances at end of year	<u>\$ 391,660</u>	<u>\$ 378,107</u>	<u>\$ 462,713</u>	<u>\$ (12,663)</u>	<u>\$ 194,486</u>	<u>\$ 2,603,835</u>	<u>\$ 6,203,423</u>	<u>\$ 6,796,427</u>

CITY OF STATESVILLE, NORTH CAROLINA
OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
REVENUES:			
Other taxes and licenses:			
5% hotel/motel occupancy tax	\$ 1,156,101	\$ 935,586	\$ (220,515)
Investment earnings	-	16,666	16,666
Miscellaneous revenues	-	1,058	1,058
Total revenues	1,156,101	953,310	(202,791)
EXPENDITURES:			
Economic and physical development	341,405	163,226	178,179
Total expenditures	341,405	163,226	178,179
Revenues over (under) expenditures	814,696	790,084	(24,612)
OTHER FINANCING SOURCES (USES):			
Transfer out:			
Civic Center Fund	(1,873,135)	(1,813,145)	59,990
General Fund - administration costs	(21,561)	(19,358)	2,203
Fund balance appropriated	1,080,000	-	(1,080,000)
Total other financing sources (uses)	(814,696)	(1,832,503)	(1,017,807)
Net change in fund balance	\$ -	(1,042,419)	\$ (1,042,419)
FUND BALANCE:			
Fund balance at beginning of year		1,081,509	
Fund balance at end of year		\$ 39,090	

CITY OF STATESVILLE, NORTH CAROLINA
HOME PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

			Actual		
	Project	Prior	Current	Total	Variance
	Authorization	Years	Year	to Date	Over/Under
REVENUES:					
Restricted intergovernmental	\$ 102,978	\$ 113,526	\$ -	\$ 113,526	\$ 10,548
Repayment of loans	90,306	137,136	-	137,136	46,830
Investment earnings	12,989	22,573	3,540	26,113	13,124
Total revenues	206,273	273,235	3,540	276,775	70,502
EXPENDITURES:					
Economic and physical development					
Home program expenditures	500,000	245,898	16,950	262,848	237,152
Total expenditures	500,000	245,898	16,950	262,848	237,152
Revenues over (under) expenditures	(293,727)	27,337	(13,410)	13,927	307,654
OTHER FINANCING SOURCES:					
Transfer in:					
General Fund	25,000	25,000	-	25,000	-
Home Program Project Fund	249,462	249,531	-	249,531	69
Home/CDBG	19,265	19,265	-	19,265	-
Total other financing sources	293,727	293,796	-	293,796	69
Net change in fund balance	\$ -	\$ 321,133	(13,410)	\$ 307,723	\$ 307,723
FUND BALANCE:					
Fund balance at beginning of year			321,133		
Fund balance at end of year			\$ 307,723		

CITY OF STATESVILLE, NORTH CAROLINA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Restricted intergovernmental:					
Adoptive forfeitures	\$ 641,007	\$ 648,167	\$ 8,175	\$ 656,342	\$ 15,335
Controlled substance tax	378,750	430,072	18,567	448,639	69,889
DARE revenues	926	926	-	926	-
Miscellaneous revenue	-	16,064	-	16,064	16,064
Investment earnings	68,442	72,772	2,102	74,874	6,432
Total revenues	1,089,125	1,168,001	28,844	1,196,845	107,720
EXPENDITURES:					
Public safety:					
Accreditation - CALEA	19,000	16,050	-	16,050	2,950
Drug enforcement	132,855	97,124	17,104	114,228	18,627
DARE expenditures	2,000	926	-	926	1,074
Other expenditures	5,904	5,896	-	5,896	8
Capital outlay vehicle	16,000	15,466	-	15,466	534
Total expenditures	175,759	135,462	17,104	152,566	23,193
Revenues over expenditures	913,366	1,032,539	11,740	1,044,279	130,913
OTHER FINANCING USES:					
Transfer out:					
General Fund	(895,490)	(871,905)	-	(871,905)	23,585
SIGI Grant	(17,876)	(17,876)	-	(17,876)	-
Total other financing uses	(913,366)	(889,781)	-	(889,781)	23,585
Net change in fund balance	\$ -	\$ 142,758	11,740	\$ 154,498	\$ 154,498
FUND BALANCE:					
Fund balance at beginning of year			142,758		
Fund balance at end of year			\$ 154,498		

CITY OF STATESVILLE, NORTH CAROLINA
DOMESTIC VIOLENCE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Restricted intergovernmental:					
Federal grant	\$ 702,799	\$ 475,936	\$ 86,027	\$ 561,963	\$ (140,836)
Investment earnings	-	62	36	98	98
Total revenues	702,799	475,998	86,063	562,061	(140,738)
EXPENDITURES:					
Public safety:					
First year grant	63,945	60,071	-	60,071	3,874
Second year grant	59,162	56,331	-	56,331	2,831
Third year grant	266,496	162,851	-	162,851	103,645
Fourth and fifth year grant	545,613	365,931	140,310	506,241	39,372
Total expenditures	935,216	645,184	140,310	785,494	149,722
Revenues (under) expenditures	(232,417)	(169,186)	(54,247)	(223,433)	8,984
OTHER FINANCING SOURCES:					
Transfer in:					
General Fund	232,417	195,652	36,765	232,417	-
Total other financing sources	232,417	195,652	36,765	232,417	-
Net change in fund balance	\$ -	\$ 26,466	(17,482)	\$ 8,984	\$ 8,984
FUND BALANCE:					
Fund balance at beginning of year			26,466		
Fund balance at end of year			\$ 8,984		

CITY OF STATESVILLE, NORTH CAROLINA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Restricted intergovernmental:					
One NC Fund phase I - Providencia	\$ 56,000	\$ 56,000	\$ -	\$ 56,000	\$ -
One NC Fund - Pate-Dawson Company	150,000	112,500	-	112,500	(37,500)
Highland Industrial	70,000	-	-	-	(70,000)
Total revenues	276,000	168,500	-	168,500	(107,500)
EXPENDITURES:					
Economic development:					
One NC Fund phase I - Providencia	56,000	56,000	-	56,000	-
One NC Fund - Pate-Dawson Company	150,000	112,500	-	112,500	37,500
Highland Industrial	70,000	-	-	-	70,000
Total expenditures	276,000	168,500	-	168,500	107,500
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE:					
Fund balance at beginning of year			-		
Fund balance at end of year			<u>\$ -</u>		

CITY OF STATESVILLE, NORTH CAROLINA
SECONDARY E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Restricted intergovernmental:					
E-911 funds	\$ 141,909	\$ 100,910	\$ 42,408	\$ 143,318	\$ 1,409
Investment earnings	-	1,192	943	2,135	2,135
Total revenues	141,909	102,102	43,351	145,453	3,544
EXPENDITURES:					
Public Safety:					
Non-depreciable capital	1,197	1,197	-	1,197	-
IT - non-depreciable	3,404	2,629	-	2,629	775
Contracted services - general	51,889	-	-	-	51,889
Capital outlay	65,419	43,760	-	43,760	21,659
Total expenditures	121,909	47,586	-	47,586	74,323
Revenues (under) expenditures	20,000	54,516	43,351	97,867	(70,779)
OTHER FINANCING USES:					
Transfer out:					
General Fund - administration costs	(20,000)	-	(15,158)	(15,158)	4,842
Total other financing uses	(20,000)	-	(15,158)	(15,158)	4,842
Net change in fund balance	\$ -	\$ 54,516	28,193	\$ 82,709	\$ 82,709
FUND BALANCE:					
Fund balance at beginning of year			54,516		
Fund balance at end of year			<u>\$ 82,709</u>		

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL EQUIPMENT CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ 390,516	\$ 1,235,715	\$ 29,103	\$ 1,264,818	\$ 874,302
Sidewalk and curbs	-	161,833	-	161,833	161,833
Total revenues	390,516	1,397,548	29,103	1,426,651	1,036,135
OTHER FINANCING SOURCES (USES):					
Transfers in:					
General Fund	3,953,217	3,249,482	-	3,249,482	(703,735)
General Fund - debt service Fire Station#4	2,243,251	2,243,251	-	2,243,251	-
General Fund - debt service Streetscape	6,294,788	6,294,788	-	6,294,788	-
Electric	848,190	848,190	-	848,190	-
Water and Sewer	565,460	565,460	-	565,460	-
Warehouse	106,500	106,500	-	106,500	-
Fire Equipment Reserve Fund	28,489	153,778	-	153,778	125,289
Business Park Capital Project Fund	153,777	28,489	-	28,489	(125,288)
Total transfers in	14,193,672	13,489,938	-	13,489,938	(703,734)
Transfers out:					
General Fund - Fire Station #4	1,949,597	1,749,511	-	1,749,511	200,086
General Fund - Streetscape	7,708,438	6,280,490	-	6,280,490	1,427,948
Warehouse reserve	106,500	-	-	-	106,500
General Fund - Police	49,056	49,056	-	49,056	-
General Fund - Fire	575,000	575,000	-	575,000	-
Statesville Park Fund	712,096	615,467	-	615,467	96,629
General Fund - undesignated	3,108,501	3,098,458	-	3,098,458	10,043
General Fund - Fire station land acquisition	375,000	363,322	-	363,322	11,678
Total transfers out	14,584,188	12,731,304	-	12,731,304	1,852,884
Total other financing sources (uses)	(390,516)	26,221,242	-	26,221,242	1,149,150
Net change in fund balance	\$ -	\$ 2,156,182	29,103	\$ 2,185,285	\$ 2,185,285
FUND BALANCE:					
Fund balance at beginning of year			2,156,182		
Fund balance at end of year			\$ 2,185,285		

CITY OF STATESVILLE, NORTH CAROLINA
STREETSCAPE CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Unrestricted intergovernmental	\$ 195,727	\$ 195,727	\$ -	\$ 195,727	\$ -
Investment earnings	2,793	12,906	5,310	18,216	15,423
Investment earnings - other	7,260	7,261	-	7,261	1
Total revenues	205,780	215,894	5,310	221,204	15,424
EXPENDITURES:					
Economic and physical development:					
Debt issuance costs	26,133	26,133	-	26,133	-
Professional services	428,387	428,387	-	428,387	-
Construction	7,835,870	7,835,870	-	7,835,870	-
Miscellaneous	82,368	82,367	-	82,367	1
Other improvement	124,554	124,554	-	124,554	-
Professional services	235,656	235,656	-	235,656	-
Pocket Park	87,560	87,560	-	87,560	-
Shelton Ave Streetscape	496,000	51,472	68,898	120,370	375,630
Contingency	605	-	-	-	605
Total expenditures	9,317,133	8,871,999	68,898	8,940,897	376,236
Revenues (under) expenditures	(9,111,353)	(8,656,105)	(63,588)	(8,719,693)	391,660
OTHER FINANCING SOURCES:					
Transfers in:					
General Fund	2,467,965	2,467,965	-	2,467,965	-
Electric Fund	973,722	973,722	-	973,722	-
Water and Sewer Fund	645,024	645,024	-	645,024	-
City Hall Renovation Fund	111,000	111,000	-	111,000	-
Miscellaneous revenue	7,642	7,642	-	7,642	-
Proceeds from debt	4,906,000	4,906,000	-	4,906,000	-
Total other financing sources	9,111,353	9,111,353	-	9,111,353	-
Net change in fund balance	\$ -	\$ 455,248	(63,588)	\$ 391,660	\$ 391,660
FUND BALANCE:					
Fund balance at beginning of year			455,248		
Fund balance at end of year			\$ 391,660		

CITY OF STATESVILLE, NORTH CAROLINA
TRANSPORTATION GRANT - TAP
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

			Actual		
	Project	Prior	Current	Total	Variance
	Authorization	Years	Year	to Date	Over/Under
REVENUES:					
Investment earnings	\$ -	\$ 12,305	\$ 5,058	\$ 17,363	\$ 17,363
Carolina Thread Trail	150,000	150,000	-	150,000	-
Transportation Grant	1,200,000	-	-	-	(1,200,000)
Total revenues	1,350,000	162,305	5,058	167,363	(1,182,637)
EXPENDITURES:					
Transportation:					
Contract services	1,670,000	101,649	7,607	109,256	1,560,744
Total expenditures	1,670,000	101,649	7,607	109,256	1,560,744
Revenues (under) expenditures	(320,000)	60,656	(2,549)	58,107	378,107
OTHER FINANCING SOURCES:					
Transfers in:					
General Fund	320,000	320,000	-	320,000	-
Total other financing sources	320,000	320,000	-	320,000	-
Net change in fund balance	\$ -	\$ 380,656	(2,549)	\$ 378,107	\$ 378,107
FUND BALANCE:					
Fund balance at beginning of year			380,656		
Fund balance at end of year			\$ 378,107		

CITY OF STATESVILLE, NORTH CAROLINA
BROOKDALE NC-21 CONNECTOR
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ -	\$ 23,758	\$ 5,786	\$ 29,544	\$ 29,544
Transportation Grant	1,881,975	-	-	-	(1,881,975)
Total revenues	1,881,975	23,758	5,786	29,544	(1,852,431)
EXPENDITURES:					
Transportation:					
Project construction costs	2,727,500	249,073	163,283	412,356	2,315,144
Total expenditures	2,727,500	249,073	163,283	412,356	2,315,144
Revenues (under) expenditures	(845,525)	(225,315)	(157,497)	(382,812)	462,713
OTHER FINANCING SOURCES:					
Transfers in:					
General Fund	845,525	845,525	-	845,525	-
Total other financing sources	845,525	845,525	-	845,525	-
Net change in fund balance	\$ -	\$ 620,210	(157,497)	\$ 462,713	\$ 462,713
FUND BALANCE:					
Fund balance at beginning of year			620,210		
Fund balance at end of year			\$ 462,713		

CITY OF STATESVILLE, NORTH CAROLINA
MUNICIPAL SERVICE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Investment earnings	\$ -	\$ 16,412	\$ 2,873	\$ 19,285	\$ 19,285
Total revenues	-	16,412	2,873	19,285	19,285
EXPENDITURES:					
General government:					
Capital outlay	11,685,000	194,182	315,617	509,799	11,175,201
Total expenditures	11,685,000	194,182	315,617	509,799	11,175,201
Revenues (under) expenditures	(11,685,000)	(177,770)	(312,744)	(490,514)	11,194,486
OTHER FINANCING SOURCES:					
Transfers in:					
General Fund	685,000	685,000	-	685,000	-
Proceeds from debt	11,000,000	-	-	-	(11,000,000)
Total other financing sources	11,685,000	685,000	-	685,000	(11,000,000)
Net change in fund balance	\$ -	\$ 507,230	(312,744)	\$ 194,486	\$ 194,486
FUND BALANCE:					
Fund balance at beginning of year			507,230		
Fund balance at end of year			\$ 194,486		

CITY OF STATESVILLE, NORTH CAROLINA
SHELTON AVENUE MULTI-USE PATH
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ -	\$ 4,974	\$ 915	\$ 5,889	\$ 5,889
Transportation Grant	603,000	-	-	-	(603,000)
Total revenues	603,000	4,974	915	5,889	(597,111)
EXPENDITURES:					
Transportation:					
Professional services	603,000	-	169,302	169,302	433,698
Right of way	150,750	-	-	-	150,750
Total expenditures	753,750	-	169,302	169,302	584,448
Revenues over (under) expenditure	(150,750)	4,974	(168,387)	(163,413)	(12,663)
OTHER FINANCING SOURCES:					
Transfers in:					
General Fund	150,750	150,750	-	150,750	-
Total other financing sources	150,750	150,750	-	150,750	-
Net change in fund balance	\$ -	\$ 155,724	(168,387)	\$ (12,663)	\$ (12,663)
FUND BALANCE:					
Fund balance at beginning of year			155,724		
Fund balance at end of year			\$ (12,663)		

CITY OF STATESVILLE, NORTH CAROLINA
BETHLEHEM ROAD CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
NCDOT	\$ 2,550,000	\$ -	\$ -	\$ -	\$ (2,550,000)
Investment earnings	-	19,157	34,678	53,835	53,835
Total revenues	2,550,000	19,157	34,678	53,835	(2,496,165)
EXPENDITURES:					
General government:					
Capital outlay	5,100,000	-	-	-	5,100,000
Total expenditures	5,100,000	-	-	-	5,100,000
Revenues over (under) expenditures	(2,550,000)	19,157	34,678	53,835	2,603,835
OTHER FINANCING SOURCES:					
Transfers in:					
General Fund	2,550,000	2,550,000	-	2,550,000	-
Total other financing sources	2,550,000	2,550,000	-	2,550,000	-
Net change in fund balance	\$ -	\$ 2,569,157	34,678	\$ 2,603,835	\$ 2,603,835
FUND BALANCE:					
Fund balance at beginning of year			2,569,157		
Fund balance at end of year			\$ 2,603,835		

ENTERPRISE FUNDS

MAJOR ENTERPRISE FUNDS

Airport Operating Fund – accounts for the airport activities.

Electric Fund – accounts for the activities of the Electric Utilities Department.

Water and Sewer Fund – accounts for the activities of the Water and Sewer Departments.

Stormwater Fund – accounts for the activities of the Stormwater Department.

Civic Center Fund – accounts for the activities of the Civic Center.

ENTERPRISE PROJECT FUNDS

Airport Improvement Fund – accounts for the airport capital expenditures.

Parallel Taxiway Project Fund - accounts for the airport taxiway for additional aircraft capabilities.

Glidescope and Localizer Project Fund - accounts for the airport additional aircraft capabilities.

SE Parallel Lighting And Electrical Vault Project Fund - accounts for the airport additional aircraft capabilities.

East Corporate Area Development Fund - accounts for the airport additional aircraft capabilities.

Runway Safety Area Extension Project Fund - accounts for the airport additional aircraft capabilities.

Electric Utility Capital Reserve Fund – accounts for electric capital future needs.

Water and Sewer Capital Reserve Funds – accounts future capital needs.

I-77 Rest Area Project – accounts for the construction of a Highway Safety Rest Area and sewer improvements in Iredell County.

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CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
AIRPORT OPERATING FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
OPERATING REVENUES:			
Charges for services:			
Airport operations rental	\$ 159,551	\$ 128,510	\$ (31,041)
Iredell County director support	22,000	22,000	-
Hanger rental	430,620	380,835	(49,785)
Tie-downs	7,020	12,467	5,447
Office rent	4,800	2,150	(2,650)
Catering sales	-	311	311
Rental cars	-	1,268	1,268
Miscellaneous revenue	15,000	170,594	155,594
Fueling flow fees	211,043	147,333	(63,710)
Jet fuel sales	1,700,000	984,617	(715,383)
AVGAS fuel sales	360,000	278,149	(81,851)
Total operating revenues	2,910,034	2,128,234	(781,800)
Non-operating revenues:			
Interest on investments	2,000	8,800	6,800
Sale of capital assets	-	208	208
Total non-operating revenues	2,000	9,008	7,008
Total revenues	2,912,034	2,137,242	(774,792)
EXPENDITURES:			
Salaries and employee benefits	588,786	426,694	162,092
Operating expenditures	2,093,396	1,271,370	822,026
Capital outlay	69,150	58,206	10,944
Total	2,751,332	1,756,270	995,062
Principal and interest	137,500	136,854	646
Total	137,500	136,854	646
Total expenditures	2,888,832	1,893,124	995,708
OTHER FINANCING SOURCES (USES):			
Transfers out:			
Transfer to General Fund-PILOT	(64,284)	(64,284)	-
Fund balance appropriated	41,082	-	(41,082)
Total other financing sources (uses)	(23,202)	(64,284)	(41,082)

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
AIRPORT OPERATING FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
Total revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>179,834</u>	<u>\$ 179,834</u>
From modified accrual revenues over expenditures			
Depreciation		(1,276,831)	
Capital outlay		3,028,979	
Change in accrued compensated absences		(11,293)	
OPEB payable		(742)	
Deferred outflow - OPEB		913	
Deferred inflow - OPEB		(127)	
Pension deferral outflow		(8,404)	
Increase in net pension liability		(7,799)	
Pension deferral inflow		(383)	
Project revenues		3,941,759	
Project expenditures		(2,970,773)	
Change in accrued interest		19,711	
Interest earnings from project funds		19,992	
Adjustment of previously written off debt		<u>(15,965)</u>	
Total reconciling items		<u>2,719,037</u>	
Change in net position		<u>\$ 2,898,871</u>	

CITY OF STATESVILLE, NORTH CAROLINA
AIRPORT IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ 102,983	\$ 93,231	\$ 17,327	\$ 110,558	\$ 7,575
NCDOT land	1,368,560	1,368,561	-	1,368,561	1
Iredell County land	576,032	326,031	250,001	576,032	-
DOT grants	3,267,607	2,007,705	1,258,899	3,266,604	(1,003)
Iredell County	120,009	619,905	(499,901)	120,004	(5)
Total revenues	5,435,191	4,415,433	1,026,326	5,441,759	6,568
EXPENDITURES:					
Transportation:					
NCDOT Grant 36244.59.6.1	884,066	823,066	-	823,066	61,000
Land Acquisition-Hangers	1,120,483	1,120,482	-	1,120,482	1
Pad Design 36237.46.16.1	236,374	220,374	15,926	236,300	74
Other grants not closed	4,340,981	2,957,234	-	2,957,234	1,383,747
Total expenditures	6,581,904	5,121,156	15,926	5,137,082	1,444,822
Revenues over (under) expenditures	(1,146,713)	(705,723)	1,010,400	304,677	1,451,390
OTHER FINANCING SOURCES:					
Transfers in (out):					
From General Fund	1,288,477	2,220,407	(931,930)	1,288,477	-
To SE Parallel Lighting and Electrical	(100,000)	-	(100,000)	(100,000)	-
To Runway Safety Area CPF	(4,264)	-	(4,264)	(4,264)	-
To Glidescope CPF	(37,500)	(37,500)	-	(37,500)	-
Total other financing sources	1,146,713	2,182,907	(1,036,194)	1,146,713	-
Revenues and other financing sources (under) expenditures	\$ -	\$ 1,477,184	\$ (25,794)	\$ 1,451,390	\$ 1,451,390

CITY OF STATESVILLE, NORTH CAROLINA
PARALLEL TAXIWAY PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

			Actual		
	Project	Prior	Current	Total	Variance
	Authorization	Years	Year	to Date	Over/Under
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 10,650,000	\$ 7,948,429	\$ 1,976,832	\$ 9,925,261	\$ (724,739)
Total revenues	10,650,000	7,948,429	1,976,832	9,925,261	(724,739)
EXPENDITURES:					
Transportation:					
Professional services	1,287,615	1,166,063	95,688	1,261,751	25,864
Traffic control	12,385	8,665	-	8,665	3,720
Contracted services	9,350,000	6,773,701	1,881,144	8,654,845	695,155
Total expenditures	10,650,000	7,948,429	1,976,832	9,925,261	724,739
Revenues (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF STATESVILLE, NORTH CAROLINA
GLIDESLOPE AND LOCALIZER PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 675,000	\$ 65,371	\$ 19,374	\$ 84,745	\$ (590,255)
Iredell County	37,500	-	-	-	(37,500)
Investment earnings	-	429	2,665	3,094	3,094
Total revenues	712,500	65,800	22,039	87,839	(624,661)
EXPENDITURES:					
Transportation:					
Contracted services	750,000	72,634	21,527	94,161	655,839
Total expenditures	750,000	72,634	21,527	94,161	655,839
OTHER FINANCING SOURCES:					
Transfers in (out):					
From Airport Improvement Fund	37,500	37,500	-	37,500	-
Total other financing sources	37,500	37,500	-	37,500	-
Revenues and other financing sources over expenditures	\$ -	\$ 30,666	\$ 512	\$ 31,178	\$ 31,178

CITY OF STATESVILLE, NORTH CAROLINA
SE PARALLEL LIGHTING AND ELECTRICAL VAULT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 1,800,000	\$ -	\$ 117,084	\$ 117,084	\$ (1,682,916)
Iredell County	100,000	-	-	-	(100,000)
Total revenues	1,900,000	-	117,084	117,084	(1,782,916)
EXPENDITURES:					
Transportation:					
Professional services	163,166	-	127,753	127,753	35,413
Contracted services	1,836,834	-	2,340	2,340	1,834,494
Total expenditures	2,000,000	-	130,093	130,093	1,869,907
OTHER FINANCING SOURCES:					
Transfers in (out):					
From Airport Improvement Fund	100,000	-	100,000	100,000	-
Total other financing sources	100,000	-	100,000	100,000	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ 86,991	\$ 86,991	\$ 86,991

**CITY OF STATESVILLE, NORTH CAROLINA
EAST CORPORATE AREA DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 4,112,600	\$ -	\$ 294,872	\$ 294,872	\$ (3,817,728)
Total revenues	4,112,600	-	294,872	294,872	(3,817,728)
EXPENDITURES:					
Transportation:					
Professional services	457,461	-	291,927	291,927	165,534
Contracted services	3,655,139	-	2,945	2,945	3,652,194
Total expenditures	4,112,600	-	294,872	294,872	3,817,728
Revenues (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF STATESVILLE, NORTH CAROLINA
RUNWAY SAFETY AREA EXTENSION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 9,376,759	\$ -	\$ 524,598	\$ 524,598	\$ (8,852,161)
Iredell County	4,265	-	-	-	(4,265)
Total revenues	9,381,024	-	524,598	524,598	(8,856,426)
EXPENDITURES:					
Transportation:					
Professional services	737,023	-	527,963	527,963	209,060
Contracted services	8,648,265	-	3,560	3,560	8,644,705
Total expenditures	9,385,288	-	531,523	531,523	8,853,765
OTHER FINANCING SOURCES:					
Transfers in (out):					
From Airport Improvement Fund	4,264	-	4,264	4,264	-
Total other financing sources	4,264	-	4,264	4,264	-
Revenues and other financing sources					
(under) expenditures	\$ -	\$ -	\$ (2,661)	\$ (2,661)	\$ (2,661)

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
ELECTRIC FUND- SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
OPERATING REVENUES:			
Electric sales	\$ 45,377,892	\$ 44,301,645	\$ (1,076,247)
Other operating revenues	1,367,833	1,184,205	(183,628)
Total operating revenues	46,745,725	45,485,850	(1,259,875)
Non-operating revenues:			
Interest on investments	273,000	421,584	148,584
Working capital distribution	-	6,785,879	6,785,879
Miscellaneous revenue	15,355	17,924	2,569
Sale of capital assets	181	9,323	9,142
Handling charge bad check	5,067	4,325	(742)
Insurance proceeds	3,297	-	(3,297)
Sale of material & labor	20,903	317,546	296,643
Airport repayment of loan	137,500	136,854	(646)
Bad debt recovery	62,857	48,211	(14,646)
Total non-operating revenues	518,160	7,741,646	7,223,486
Total revenues	47,263,885	53,227,496	5,963,611
EXPENDITURES:			
Salaries and employee benefits	3,097,812	3,003,580	94,232
Electrical power purchases	35,396,093	34,628,620	767,473
Professional services	259,211	11,435	247,776
Operating expenditures	5,108,922	1,996,843	3,112,079
Capital outlay	14,363,311	6,300,833	8,062,478
Total expenditures	58,225,349	45,941,311	12,284,038
Revenues over (under) expenditures	(10,961,464)	7,286,185	18,247,649
OTHER FINANCING SOURCES (USES):			
Transfers and Advances (out):			
Transfer to General Fund - PILOT	(113,289)	(113,289)	-
Fund balance appropriated	11,074,753	-	(11,074,753)
Total other financing sources (uses)	10,961,464	(113,289)	(11,074,753)
Total revenues and other financing sources over (over) expenditures and other financing uses	\$ -	\$ 7,172,896	\$ 7,172,896

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
ELECTRIC FUND- SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Reconciliation from budgetary basis (modified accrual) to full accrual:

From modified accrual revenues over expenditures	<u>\$ 7,172,896</u>
Depreciation	(1,453,171)
Capital outlay	6,300,833
Change in accrued compensated absences	(66,490)
OPEB liability	(5,941)
Deferred outflow of resources - OPEB	7,330
Deferred inflow of resources - OPEB	(1,014)
Pension deferral inflow	25,419
Pension deferral outflow	(92,648)
Increase in net pension liability	(62,391)
Pension deferral inflow	(3,060)
Interest earnings from project funds	29,945
Collection of previously written off debt	<u>132,180</u>
Total reconciling items	<u>4,810,992</u>
Change in net position	<u><u>\$ 11,983,888</u></u>

CITY OF STATESVILLE, NORTH CAROLINA
ELECTRIC UTILITY CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ 100,000	\$ 281,855	\$ 29,945	\$ 311,800	\$ 211,800
Total revenues	100,000	281,855	29,945	311,800	211,800
EXPENDITURES:					
Professional services	199,500	-	-	-	199,500
Total expenditures	199,500	-	-	-	199,500
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Electric Stabilization Fund	199,500	199,500	-	199,500	-
Electric Fund	900,000	2,039,424	-	2,039,424	1,139,424
Transfers out:					
Electric Fund	(1,000,000)	(302,243)	-	(302,243)	697,757
Total other financing sources (uses)	99,500	1,936,681	-	1,936,681	1,837,181
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 2,218,536	\$ 29,945	\$ 2,248,481	\$ 2,248,481

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
WATER AND SEWER FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
OPERATING REVENUES:			
Charges for services:			
Water sales	\$ 4,636,718	\$ 4,476,206	\$ (160,512)
Sewer charges	6,962,750	6,904,086	(58,664)
Other operating revenue	151,545	121,277	(30,268)
Water and Sewer System Development fees	650,137	740,281	90,144
Total operating revenues	12,401,150	12,241,850	(159,300)
Non-operating revenue:			
Interest on investments	235,000	206,564	(28,436)
Sale of capital assets	5,000	10,915	5,915
Misc. revenue	5,000	65,819	60,819
Total non-operating revenues	245,000	283,298	38,298
Total revenues	12,646,150	12,525,148	(121,002)
EXPENDITURES:			
Sewer collection line maintenance:			
Salaries and employee benefits	409,658	410,023	(365)
Operating expenditures	215,827	186,190	29,637
Capital outlay	1,117,355	680,984	436,371
Total	1,742,840	1,277,197	465,643
Water distribution line maintenance:			
Salaries and employee benefits	880,816	852,541	28,275
Professional services	146,475	144,946	1,529
Operating expenditures	320,210	286,963	33,247
Capital outlay	3,745,537	354,080	3,391,457
Total	5,093,038	1,638,530	3,454,508
Water purification:			
Salaries and employee benefits	832,635	828,676	3,959
Professional services	8,440	8,061	379
Operating expenditures	1,801,716	1,727,779	73,937
Capital outlay	498,000	494,559	3,441
Total	3,140,791	3,059,075	81,716
Waste water treatment - Third Creek:			
Salaries and employee benefits	555,048	549,378	5,670
Professional services	26,786	18,682	8,104
Operating expenditures	629,504	578,976	50,528
Capital outlay	56,580	33,980	22,600
Total	1,267,918	1,181,016	86,902
Waste water treatment - Fourth Creek:			
Salaries and employee benefits	882,711	861,735	20,976
Professional services	167,819	96,984	70,835
Operating expenditures	1,871,173	1,843,490	27,683
Capital outlay	932,100	623,714	308,386
Total	3,853,803	3,425,923	427,880

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
WATER AND SEWER FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
Principal and interest	2,663,955	2,663,954	1
Total	2,663,955	2,663,954	1
Total expenditures	17,762,345	13,245,695	4,516,650
Revenues over (under) expenditures	(5,116,195)	(720,547)	4,395,648
OTHER FINANCING SOURCES (USES):			
Transfers in (out):			
Water and Sewer Capital Reserve	(737,637)	(737,576)	61
Transfer to General Fund - PILOT	(334,126)	(334,126)	-
I-77 Rest Area Project	(10,198)	(10,198)	-
Water and Sewer Capital Reserve	650,137	2,403,463	1,753,326
Fund balance appropriated	5,548,019	-	(5,548,019)
Total other financing sources (uses)	5,116,195	1,321,563	(3,794,632)
Revenues and other financing sources (under)			
expenditures and other financing (uses)	\$ -	601,016	\$ 601,016
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(3,823,797)	
Capital outlay		2,187,317	
Long-term debt principal		2,192,527	
Accrued interest expense		43,134	
Change in accrued compensated absences		(40,947)	
Decrease in deferred outflows of resources - pensions		(109,252)	
Increase in net pension liability		(101,385)	
Increase in deferred inflows of resources - pensions		(4,973)	
Deferred outflow of resources - OPEB		11,911	
Deferred inflow of resources - OPEB		(1,651)	
OPEB liability		(9,654)	
Intrafund transfers		(1,655,689)	
Project revenues		(50,628)	
Interest earnings from water and sewer project funds		50,930	
Adjustment of previously written off debt		(4,630)	
Total reconciling items		(1,316,787)	
Change in net position		\$ (715,771)	

CITY OF STATESVILLE, NORTH CAROLINA
WATER AND SEWER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Services - Water SDF	\$ -	\$ 153,946	\$ 154,277	\$ 308,223	\$ 308,223
Services - Sewer SDF	-	439,002	583,299	1,022,301	1,022,301
Investment earnings	-	80,511	50,697	131,208	131,208
Total revenues	-	673,459	788,273	1,461,732	1,461,732
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Closed WSF Capital Reserve Fund	6,666,665	6,666,664	-	6,666,664	(1)
Transfers out:					
Water line rehabilitation	(325,000)	-	-	-	325,000
Water improvements	(250,000)	-	-	-	250,000
Sewer line rehabilitation	(400,000)	-	-	-	400,000
Sewer improvements	(150,000)	-	-	-	150,000
Other system improvements	(457,962)	-	-	-	457,962
Transfer to Water System	(967,600)	(967,600)	-	(967,600)	-
Transfer to Sewer System	(4,116,103)	(1,712,640)	(2,403,463)	(4,116,103)	-
Total other financing sources (uses)	-	3,986,424	(2,403,463)	1,582,961	1,582,961
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 4,659,883	\$ (1,615,190)	\$ 3,044,693	\$ 3,044,693

CITY OF STATESVILLE, NORTH CAROLINA
I-77 REST AREA PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ -	\$ 328	\$ 233	\$ 561	\$ 561
NCDOT reimbursement	4,419,100	4,340,371	(50,628)	4,289,743	(129,357)
Total revenues	4,419,100	4,340,699	(50,395)	4,290,304	(128,796)
EXPENDITURES:					
DOT Share:					
Capital outlay - professional services	347,229	347,031	-	347,031	198
Capital outlay - construction	3,929,685	3,933,253	-	3,933,253	(3,568)
Capital outlay - right of way	60,088	60,088	-	60,088	-
Contingency	41,901	-	-	-	41,901
Total DOT share	4,378,903	4,340,372	-	4,340,372	38,531
City Share:					
Capital outlay - professional services	125,075	116,516	-	116,516	8,559
Capital outlay - construction	1,336,846	1,305,535	-	1,305,535	31,311
Capital outlay - right of way	7,567	7,567	-	7,567	-
Total City share	1,469,488	1,429,618	-	1,429,618	39,870
Total expenditures	5,848,391	5,769,990	-	5,769,990	78,401
OTHER FINANCING SOURCES:					
Transfers in (out):					
Water and Sewer Fund	1,429,291	1,469,488	10,198	1,479,686	50,395
Total other financing sources	1,429,291	1,469,488	10,198	1,479,686	50,395
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 40,197	\$ (40,197)	\$ -	\$ -

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
STORMWATER FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
OPERATING REVENUES:			
Charges for services:			
Fees	\$ 1,946,346	\$ 2,014,741	\$ 68,395
Total operating revenues	1,946,346	2,014,741	68,395
Non-operating revenues:			
Interest on investments	-	11,051	11,051
Total non-operating revenues	-	11,051	11,051
Total revenues	1,946,346	2,025,792	79,446
EXPENDITURES:			
Salaries and employee benefits	305,899	148,798	157,101
Operating expenditures	1,048,447	677,940	370,507
Capital outlay	762,002	218,811	543,191
Total expenditures	2,116,348	1,045,549	1,070,799
Total revenues over (under) expenditures	(170,002)	980,243	1,150,245
OTHER FINANCING SOURCES:			
Fund balance appropriated	170,002	-	(170,002)
Total other financing sources	170,002	-	(170,002)
Revenues and other financing sources over expenditures and other financing uses	\$ -	980,243	\$ 980,243
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(8,673)	
Capital outlay		218,811	
Change in accrued compensated absences		(5,740)	
Decrease in deferred outflows of resources - pensions		(8,403)	
Increase in deferred inflows of resources - pensions		(383)	
Increase in net pension liability		(7,799)	
Deferred outflow of resources - OPEB		1,785	
Deferred inflow of resources - OPEB		(6,468)	
OPEB liability		(742)	
Total reconciling items		182,388	
Change in net position		\$ 1,162,631	

CITY OF STATESVILLE, NORTH CAROLINA
MAJOR ENTERPRISE FUND
CIVIC CENTER FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
OPERATING REVENUES:			
Charges for services:			
Fees	\$ 310,000	\$ 261,399	\$ (48,601)
Total operating revenues	310,000	261,399	(48,601)
Non-operating revenues:			
Interest on investments	17,500	18,604	1,104
Miscellaneous	1,229	1,009	(220)
Total non-operating revenues	18,729	19,613	884
Total revenues	328,729	281,012	(47,717)
EXPENDITURES:			
Salaries and employee benefits	546,011	515,802	30,209
Operating expenditures	733,575	640,458	93,117
Capital outlay	3,772,726	171,503	3,601,223
Total expenditures	5,052,312	1,327,763	3,724,549
Total revenues over (under) expenditures	(4,723,583)	(1,046,751)	3,676,832
OTHER FINANCING SOURCES (USES):			
Transfers in:			
Occupancy Tax Fund	1,873,135	1,813,145	(59,990)
Transfers out:			
Transfer to General Fund - PILOT	(24,153)	(24,153)	-
Proceeds from long-term debt	1,850,000	-	(1,850,000)
Fund balance appropriated	1,024,601	-	(1,024,601)
Total other financing sources	4,723,583	1,788,992	(2,934,591)
Revenues and other financing sources over expenditures and other financing uses	\$ -	742,241	\$ 742,241
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(136,216)	
Capital outlay		171,503	
Change in accrued compensated absences		25,236	
Decrease in deferred outflows of resources - pensions		(16,808)	
Increase in deferred inflows of resources - pensions		(763)	
Increase in net pension liability		(15,598)	
Deferred outflow of resources - OPEB		1,832	
Deferred inflow of resources - OPEB		(254)	
OPEB liability		(1,485)	
Total reconciling items		27,447	
Change in net position		\$ 769,688	

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INTERNAL SERVICE FUNDS

The Internal Service Fund accounts for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City has one Internal Service Fund, Risk Management.

Risk Management Fund – accounts for the operations of the City's health insurance plan, worker's compensation, liability, property insurance and wellness program.

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CITY OF STATESVILLE, NORTH CAROLINA
RISK MANAGEMENT FUND
STATEMENT OF NET POSITION
JUNE 30, 2020

	Risk Management Fund
ASSETS	
Cash and cash equivalents	\$ 2,441,248
Accounts receivables, net	5,842
Interest receivable	4,076
Prepaid stop loss insurance	1,367
	<hr/>
Total assets	2,452,533
	<hr/>
LIABILITIES	
Accounts payable and accrued liabilities	209,235
Accrued IBNR health	342,110
Accrued IBNR worker's compensation	278,164
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Total liabilities	829,509
	<hr/>
NET POSITION	\$ 1,623,024
	<hr/> <hr/>

CITY OF STATESVILLE, NORTH CAROLINA
RISK MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Risk Management Fund
Operating revenues:	
Employer's contributions-property and liability	\$ 1,122,843
Employer's contributions-health benefits	4,056,125
Employee's contributions health	691,705
Employee's contributions dental	92,514
	<u>5,963,187</u>
Total operating revenues	<u>5,963,187</u>
Operating expenses:	
Health, dental claims, and wellness program	3,608,757
Health third party administration	203,962
Health stop loss insurance	375,734
	<u>4,188,453</u>
Total health expenses	<u>4,188,453</u>
Worker's compensation claims	552,233
Administration and professional services	18,585
Worker's compensation stop loss insurance	69,997
Property and liability insurance	461,414
Property and liability claims	102,874
	<u>1,205,103</u>
Total property and liability expenses	<u>1,205,103</u>
Total operating expenses	<u>5,393,556</u>
Total operating income (loss)	<u>569,631</u>
Non-operating income:	
Investment income	28,672
	<u>28,672</u>
Change in net position	598,303
Net position, beginning of year (deficit)	<u>1,024,721</u>
Net position, end of year	<u><u>\$ 1,623,024</u></u>

CITY OF STATESVILLE, NORTH CAROLINA
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Financial Plan	Actual	Variance Over/Under
Operating revenues:			
Employer's contributions-property and liability	\$ 1,120,090	\$ 1,122,843	\$ 2,753
Employer's contributions - health benefits	4,599,217	4,056,125	(543,092)
Employee's contributions - health and dental	803,052	691,705	(111,347)
Contributions from retired employees and COBRA	125,000	92,514	(32,486)
Total operating revenues	6,647,359	5,963,187	(684,172)
Non-operating revenues:			
Investment earnings	29,124	28,672	(452)
Total revenues	6,676,483	5,991,859	(684,624)
Operating expenditures:			
Operating health expenditures:			
Health, dental claims, and wellness program	4,639,217	3,713,840	925,377
Health third party administration	212,000	203,962	8,038
Health stop loss insurance	380,000	375,734	4,266
Aggregate corridor	210,176	-	210,176
Total health expenditures	5,441,393	4,293,536	1,147,857
Operating property and liability expenditures:			
Appraisals	40,000	-	40,000
Worker's compensation claims	507,090	491,607	15,483
Administration and professional services	25,000	18,585	6,415
Worker's compensation stop-loss insurance	70,000	69,997	3
Property and liability insurance	462,000	461,414	586
Property and liability claims	131,000	102,874	28,126
Total property and liability expenditures	1,235,090	1,144,477	90,613
Total expenditures	6,676,483	5,438,013	1,238,470
Revenues (under) expenditures	\$ -	553,846	\$ 553,846
Decrease in incurred claims but not reported (IBNR)		44,457	
Change in net position		\$ 598,303	

CITY OF STATESVILLE, NORTH CAROLINA
RISK MANAGEMENT FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Risk Management Fund
Cash flows from operating activities:	
Cash received from employer and employees	\$ 5,966,879
Cash paid for claims and insurance	(5,403,943)
Net cash (used) by operating activities	562,936
Cash flows from investing activities operating activities:	
Interest on investments and miscellaneous	28,672
Net (decrease) in cash and cash equivalents	591,608
Cash and cash equivalents:	
Beginning of year, July 1	1,849,640
End of year, June 30	\$ 2,441,248
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating Income (loss)	\$ 569,631
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	3,692
Increase in prepaid stop loss insurance	(1,367)
Increase (decrease) in accounts payable	35,437
Increase (decrease) in IBNR - health	(105,083)
Increase (decrease) in IBNR - worker's compensation	60,626
Net cash (used) by operating activities	\$ 562,936

ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable – General Fund – City-Wide
- Schedule of Ad Valorem Taxes Receivable – General Fund – Downtown Statesville Special Tax
- Schedule of Ad Valorem Taxes Receivable – General Fund – Woods Dam Special Tax District
- Analysis of Current Tax Levy – General Fund – City-Wide
- Analysis of Current Tax Levy – General Fund – Downtown Statesville Special Tax District
- Analysis of Current Tax Levy – General Fund – Woods Dam Tax District

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CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
GENERAL FUND - CITY-WIDE
JUNE 30, 2020

<u>Tax Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
Tax and Tag	\$ -	\$ 1,142,462	\$ 1,142,462	\$ -
2019	-	16,805,886	16,627,252	178,634
2018	192,200	-	121,149	71,051
2017	73,211	-	29,619	43,592
2016	56,795	-	17,721	39,074
2015	32,901	-	11,659	21,242
2014	40,737	-	12,050	28,687
2013	45,836	-	8,314	37,522
2012	52,667	-	4,250	48,417
2011	53,179	-	4,876	48,303
2010	48,926	-	5,235	43,691
2009	41,167	-	41,167	-
Total	<u>\$ 637,619</u>	<u>\$ 17,948,348</u>	<u>\$ 18,025,754</u>	\$ 560,213
Less allowance for uncollectible accounts - city-wide				<u>452,062</u>
Ad valorem taxes receivable, net				<u>\$ 108,151</u>
RECONCILIATION TO REVENUES:				
Ad valorem taxes-city-wide				\$ 18,072,707
Reconciling items:				
Taxes written off				40,695
Penalties and interest				<u>(87,648)</u>
Total collections and credits				<u>\$ 18,025,754</u>

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE-
GENERAL FUND - DOWNTOWN STATESVILLE SPECIAL TAX DISTRICT
JUNE 30, 2020

JUNE 30, 2019

Tax Year	Uncollected Balance City-Wide	Additions	Collections and Credits	Uncollected Balance Registered
Tax and Tag	\$ -	\$ 6,036	\$ 6,036	\$ -
2019		101,755	100,104	1,651
2018	2,382	-	1,677	705
2017	728	-	412	316
2016	316	-	260	56
2015	80	-	8	72
2014	120	-	9	111
2013	262	-	-	262
2012	268	-	2	266
2011	677	-	-	677
2010	171	-	-	171
2009	193	-	193	-
	<u>\$ 5,197</u>	<u>\$ 107,791</u>	<u>\$ 108,701</u>	\$ 4,287
	Less allowance for uncollectible accounts - Downtown			3,470
Ad valorem taxes receivable, net				<u>\$ 817</u>
RECONCILIATION TO REVENUES:				
	Ad valorem taxes-downtown			\$ 108,229
Reconciling items:				
	Interest			279
	Write-off			193
	Total collections and credits			<u>\$ 108,701</u>

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE-
GENERAL FUND - WOODS DAM TAX DISTRICT
JUNE 30, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
Tax and Tag	\$ -	\$ 263	\$ 263	\$ -
2019	-	3,941	3,941	-
	<u>\$ -</u>	<u>\$ 4,204</u>	<u>\$ 4,204</u>	<u>\$ -</u>

RECONCILIATION TO REVENUES:

Ad valorem taxes - downtown

\$ 4,204

Reconciling items:

None

-

Total collections and credits

\$ 4,204

CITY OF STATESVILLE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
GENERAL FUND - CITY-WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

				Total Levy	
	Property Valuation	City-Wide Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 3,046,239,001	\$ 0.5478	\$ 16,687,297	\$ 16,687,297	\$ -
Tax and tag	208,554,617		1,142,462	-	1,142,462
Penalties	5,000,823		27,395	27,395	
TOTAL ORIGINAL LEVY	3,259,794,441		17,857,154	16,714,692	1,142,462
DISCOVERIES:					
Current year rate and taxes	23,363,348	0.5478	127,984	127,984	
Penalties	873,583		4,785	4,785	-
TOTAL DISCOVERIES	24,236,931		132,770	132,769	-
RELEASES/TAX AND TAG UNCOLLECTED:					
Current year rate	(7,586,013)	0.5478	(41,556)	(41,556)	
Penalties	(3,468)		(19)	(19)	-
TOTAL RELEASES	(7,589,482)		(41,575)	(41,575)	-
Net assessed valuation	<u><u>\$ 3,276,441,891</u></u>				
Net levy			17,948,348	16,805,886	1,142,462
Uncollected taxes , June 30			(178,634)	(178,634)	-
Current year's taxes collected			<u><u>\$ 17,769,714</u></u>	<u><u>\$ 16,627,252</u></u>	<u><u>\$ 1,142,462</u></u>
Current levy collection percentage rate			<u><u>99.00%</u></u>	<u><u>98.94%</u></u>	<u><u>100.00%</u></u>

CITY OF STATESVILLE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
GENERAL FUND - DOWNTOWN STATESVILLE SPECIAL TAX DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

				Total Levy	
	Property Valuation	City-Wide Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 101,396,270	\$ 0.1000	\$ 101,396	\$ 101,396	\$ -
Tax and tag	6,036,360		6,036	-	6,036
Penalties	279,780		280	280	-
TOTAL ORIGINAL LEVY	107,712,410		107,712	101,676	6,036
DISCOVERIES:					
Current year rate and taxes	42,730	0.1000	43	43	-
Penalties	52,800		53	53	-
TOTAL DISCOVERIES	95,530		96	96	-
RELEASES/TAX AND TAG UNCOLLECTED:					
Current year rate	29,070	0.1000	29	29	-
Penalties	(45,850)		(46)	(46)	-
TOTAL RELEASES	(16,780)		(17)	(17)	-
Net assessed valuation	<u>\$ 107,791,160</u>				
Net levy			107,791	101,755	6,036
Uncollected taxes , June 30			(1,651)	(1,651)	-
Current year's taxes collected			<u>\$ 106,140</u>	<u>\$ 100,104</u>	<u>\$ 6,036</u>
Current levy collection percentage rate			<u>98.47%</u>	<u>98.38%</u>	<u>100.00%</u>

**CITY OF STATESVILLE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
GENERAL FUND - WOODS DAM TAX DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

				Total Levy	
	Property Valuation	City-Wide Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 1,876,359	\$ 0.2100	\$ 3,941	\$ 3,941	\$ -
Tax and tag	125,352		263	-	263
TOTAL ORIGINAL LEVY	2,001,711		4,204	3,941	263
Net assessed valuation	<u>\$ 2,001,711</u>				
Net levy			4,204	3,941	263
Uncollected taxes , June 30			-	-	-
Current year's taxes collected			<u>\$ 4,204</u>	<u>\$ 3,941</u>	<u>\$ 263</u>
Current levy collection percentage rate			<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

STATISTICAL SECTION

This part of the City of Statesville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the governments overall financial health.

Contents	Page
Financial Trends	124
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	134
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. The City's other major local revenue sources are its utility revenues of which the Electric Utilities revenues are the largest (see Table 22).	
Debt Capacity	147
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	151
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	153
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Table 1

CITY OF STATESVILLE, NORTH CAROLINA
NET POSITION BY CATEGORY
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Governmental activities					
Net investment in capital assets	\$ 59,908,456	\$ 66,160,070	\$ 67,394,632	\$ 68,264,801	\$ 69,891,335
Restricted for:					
Stabilization by state statute	-	5,565,574	5,124,143	6,282,769	4,314,762
Public safety	6,276,092	337,206	77,821	60,645	41,341
Transportation	383,871	1,332,646	771,303	1,315,672	1,248,014
Economic development	885,021	324,831	353,599	444,247	574,665
Debt service	-	-	293,653	61,249	-
Capital outlay	8,524,131	6,470,958	5,144,063	3,659,885	2,111,528
Unrestricted	24,885,268	19,242,685	21,397,924	21,496,485	21,477,035
Total governmental activities net position	100,862,839	99,433,970	100,557,138	101,585,753	99,658,680
Business-type activities					
Net investment in capital assets	65,578,645	65,215,357	65,470,169	67,271,906	66,336,798
Unrestricted	34,648,769	35,113,541	35,885,077	33,761,094	34,680,765
Total business-type activities net position	100,227,414	100,328,898	101,355,246	101,033,000	101,017,563
Primary government					
Net investment in capital assets	125,487,101	131,375,427	132,864,801	135,536,707	136,228,133
Restricted for:					
Stabilization by state statute	-	5,565,574	5,124,143	6,282,769	4,314,762
Public Safety	383,871	1,332,646	771,303	1,315,672	1,248,014
Transportation	6,276,092	337,206	77,821	60,645	41,341
Economic development	885,021	324,831	353,599	444,247	574,665
Debt service	-	-	293,653	61,249	-
Capital projects	8,524,131	6,470,958	5,144,063	3,659,885	2,111,528
Unrestricted	59,534,037	54,356,226	57,283,001	55,257,579	56,157,800
Total governmental activities net position	\$ 201,090,253	\$ 199,762,868	\$ 201,912,384	\$ 202,618,753	\$ 200,676,243

Notes:

- (1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net assets are considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulation of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Table 1 (cont'd)

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Governmental activities					
Net investment in capital assets	\$ 42,754,217	\$ 42,692,332	\$ 42,995,778	\$ 43,150,694	\$ 44,371,100
Restricted for:					
Stabilization by state statute	4,644,547	5,704,049	5,700,026	5,256,108	5,584,027
Public safety	81,519	77,659	130,789	185,262	242,217
Transportation	-	-	-	-	148,823
Economic development	712,686	1,096,183	1,163,602	1,352,217	298,784
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	23,243,436	20,066,688	17,517,629	18,370,763	20,128,176
Total governmental activities net position	71,436,405	69,636,911	67,507,824	68,315,044	70,773,127
Business-type activities					
Net investment in capital assets	93,781,157	93,846,256	99,648,841	111,057,267	118,458,550
Unrestricted	39,268,053	43,182,876	44,719,257	48,562,431	57,410,031
Total business-type activities net position	133,049,210	137,029,132	144,368,098	159,619,698	175,868,581
Primary government					
Net investment in capital assets	136,535,374	136,538,588	142,644,619	154,207,961	162,829,650
Restricted for:					
Stabilization by state statute	4,644,547	5,704,049	5,700,026	5,256,108	5,584,027
Public Safety	-	77,659	130,789	185,262	242,217
Transportation	81,519	-	-	-	148,823
Economic development	712,686	1,096,183	1,163,602	1,352,217	298,784
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Unrestricted	62,511,489	63,249,564	62,236,886	66,933,194	77,538,207
Total governmental activities net position	\$ 204,485,615	\$ 206,666,043	\$ 211,875,922	\$ 227,934,742	\$ 246,641,708

Notes:

- (1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net assets are considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulation of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Table 2

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

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Expenses by Functions/Programs					
Governmental Activities:					
General government	\$ 3,346,041	\$ 3,274,004	\$ 3,240,212	\$ 3,432,347	\$ 3,254,999
Public safety	11,408,145	11,994,709	12,299,585	12,410,000	12,398,238
Transportation	3,412,045	3,468,402	3,540,251	4,246,210	4,345,239
Economic and physical development	806,305	965,655	1,332,542	947,827	750,760
Environmental protection	2,085,049	2,130,549	1,846,780	1,715,643	1,978,958
Cultural and recreation	3,367,653	3,417,745	3,481,787	3,354,153	3,594,906
Interest on long-term debt	275,735	352,859	306,561	264,534	212,823
Subtotal governmental activities	24,700,973	25,603,923	26,047,718	26,370,714	26,535,923
Business-Type Activities:					
Airport	-	-	-	-	-
Electric	40,589,432	41,532,781	44,304,027	44,792,998	46,952,145
Water and sewer	9,286,106	9,502,048	9,389,629	11,696,188	9,713,190
Stormwater	-	-	-	-	-
Civic Center	861,917	848,125	948,560	997,238	999,189
Subtotal business-type activities	50,737,455	51,882,954	54,642,216	57,486,424	57,664,524
Total primary government expenses	\$ 75,438,428	\$ 77,486,877	\$ 80,689,934	\$ 83,857,138	\$ 84,200,447
Program Revenues by Functions					
Governmental Activities:					
Charges for Services:					
General government	\$ 96,614	\$ 379,335	\$ -	\$ 46,977	\$ 355,432
Public safety	337,832	198,223	308,753	336,183	342,107
Transportation	473,426	322,757	678,516	791,434	-
Economic and physical development	4,511	-	802,655	45	-
Environmental protection	293,688	288,090	448,057	165,632	162,236
Cultural and recreation	816,694	831,655	820,940	819,739	836,284
Operating grants and contributions	865,836	501,593	834,006	615,180	345,739
Capital grants and contributions	3,116,406	1,493,194	2,103,132	946,690	1,240,320
Total governmental activities program activities	6,005,007	4,014,847	5,996,059	3,721,880	3,282,118
Business-Type Activities:					
Charges for Services:					
Airport	-	-	-	-	-
Electric	41,973,877	41,334,097	44,989,787	47,531,836	47,646,058
Water and sewer	9,146,995	8,973,284	9,464,072	9,468,112	10,033,066
Stormwater	-	-	-	-	-
Civic Center	277,414	254,004	259,388	294,701	299,535
Operating grants and contributions	-	560,534	977,497	13,400	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities	51,398,286	51,121,919	55,690,744	57,308,049	57,978,659
Total primary government program revenues	\$ 57,403,293	\$ 55,136,766	\$ 61,686,803	\$ 61,029,929	\$ 61,260,777

Table 2 (cont'd)

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Expenses by Functions/Programs					
Governmental Activities:					
General government	\$ 3,479,866	\$ 3,882,072	\$ 4,852,052	\$ 4,754,090	\$ 4,220,031
Public safety	12,234,390	13,338,272	14,896,715	15,031,704	17,029,794
Transportation	2,851,130	3,337,451	4,174,148	3,747,862	2,733,505
Economic and physical development	931,213	427,733	768,400	432,903	264,074
Environmental protection	1,675,871	1,951,510	2,080,218	1,975,892	2,083,415
Cultural and recreation	3,506,190	3,871,413	3,871,242	4,124,134	3,989,425
Interest on long-term debt	179,568	145,274	110,981	76,688	82,483
Subtotal governmental activities	24,858,228	26,953,725	30,753,756	30,143,273	30,402,727
Business-Type Activities:					
Airport	1,786,329	1,931,556	1,476,536	2,156,005	3,129,855
Electric	44,245,966	44,955,862	44,792,998	42,392,127	41,112,400
Water and sewer	10,332,082	11,108,611	11,696,188	11,912,217	12,829,316
Stormwater	-	-	-	-	857,177
Civic Center	968,734	970,233	997,238	1,047,354	1,288,350
Subtotal business-type activities	57,333,111	58,966,262	58,962,960	57,507,703	59,217,098
Total primary government expenses	\$ 82,191,339	\$ 85,919,987	\$ 89,716,716	\$ 87,650,976	\$ 89,619,825
Program Revenues by Functions					
Governmental Activities:					
Charges for Services:					
General government	\$ 66,083	\$ 44,698	\$ 59,766	\$ 59,818	\$ 82,695
Public safety	75,220	299,242	233,553	235,867	326,367
Transportation	49,846	43,506	1,440	-	-
Economic and physical development	981,530	981	1,089,283	1,150,853	935,586
Environmental protection	170,160	1,139,748	1,323,456	1,190,996	1,217,182
Cultural and recreation	732,620	793,362	736,888	693,180	534,055
Operating grants and contributions	596,907	1,364,069	285,478	698,158	790,583
Capital grants and contributions	748,401	838,388	851,559	736,939	732,263
Total governmental activities program activities	3,420,767	4,523,994	4,581,423	4,765,811	4,618,731
Business-Type Activities:					
Charges for Services:					
Airport	559,951	434,999	651,771	1,237,368	2,128,442
Electric	46,939,813	48,232,363	48,739,947	50,840,214	52,805,912
Water and sewer	10,782,047	11,265,287	11,358,956	12,293,534	12,318,584
Stormwater	-	-	-	-	2,014,741
Civic Center	333,067	341,243	318,216	327,944	262,408
Operating grants and contributions	363,177	-	211,467	-	-
Capital grants and contributions	29,126,802	2,158,958	4,996,623	6,777,290	3,891,131
Total business-type activities	88,104,857	62,432,850	66,276,980	71,476,350	73,421,218
Total primary government program revenues	\$ 91,525,624	\$ 66,956,844	\$ 70,858,403	\$ 76,242,161	\$ 78,039,949

CITY OF STATESVILLE, NORTH CAROLINA
CHANGES IN NET POSITION - CONTINUED
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Ad valorem taxes	\$ 11,760,600	\$ 11,316,717	\$ 12,144,774	\$ 12,329,641	\$ 12,252,525
Local sales tax option	5,452,410	5,105,479	5,269,457	5,491,152	6,016,074
Other taxes	1,273,835	1,321,032	809,850	1,626,638	3,284,650
Unrestricted intergovernmental revenues	2,139,048	2,116,304	2,608,519	2,316,788	681,625
Interest earned on investments	105,840	263,126	(149,740)	311,881	150,345
Miscellaneous	268,874	195,157	238,313	175,411	591,938
Transfers in (out)	1,830,590	(157,608)	253,654	1,425,938	190,752
Total governmental activities	22,831,197	20,160,207	21,174,827	23,677,449	23,167,909
Business-Type Activities:					
Interest earned on investments	244,771	256,414	(103,514)	375,522	223,891
Miscellaneous	-	448,497	334,988	-	113,439
Transfer in (out)	(1,830,590)	157,608	(253,654)	(1,425,938)	(190,752)
Total business-type activities	(1,585,819)	862,519	(22,180)	(1,050,416)	146,578
Total primary government	21,245,378	21,022,726	21,152,647	22,627,033	23,314,487
Changes in Net Position					
Governmental activities	1,242,121	108,548	1,123,168	23,677,449	(85,896)
Business-type activities	(2,346,854)	1,911,047	1,026,348	(1,050,416)	460,713
Total primary government	\$ (1,104,733)	\$ 2,019,595	\$ 2,149,516	\$ 22,627,033	\$ 374,817

CITY OF STATESVILLE, NORTH CAROLINA
CHANGES IN NET POSITION - CONTINUED
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Ad valorem taxes	\$ 12,130,575	\$ 13,843,920	\$ 13,924,416	\$ 15,012,204	\$ 18,090,106
Local sales tax option	6,283,073	6,564,336	6,945,610	7,317,507	7,721,304
Other taxes	45,347	48,308	48,949	57,521	48,701
Unrestricted intergovernmental revenues	2,932,832	2,593,971	2,798,822	2,826,167	2,743,319
Interest earned on investments	179,616	209,821	197,604	724,350	386,117
Miscellaneous	14,405	38,351	128,193	363,732	529,825
Transfers in (out)	(30,110,127)	(222,438)	268,272	(116,799)	(1,277,293)
Total governmental activities	(8,524,279)	23,076,269	24,311,866	26,184,682	28,242,079
Business-Type Activities:					
Interest earned on investments	276,576	290,896	378,045	1,166,154	767,470
Miscellaneous	-	-	-	-	-
Transfer in (out)	983,325	222,438	(268,272)	116,799	1,277,293
Total business-type activities	1,259,901	513,334	109,773	1,282,953	2,044,763
Total primary government	(7,264,378)	23,589,603	24,421,639	27,467,635	30,286,842
Changes in Net Position					
Governmental activities	(30,107,282)	23,076,269	(1,860,467)	807,220	2,458,083
Business-type activities	32,177,189	513,334	7,423,793	15,251,600	16,248,883
Total primary government	\$ 2,069,907	\$ 23,589,603	\$ 5,563,326	\$ 16,058,820	\$ 18,706,966

Table 3

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

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
General Fund					
Non Spendable					
Inventories	\$ 26,091	\$ 26,497	\$ 28,182	\$ 31,027	\$ 47,630
Prepaid items	320	2,470	2,985	4,290	6,909
Restricted					
Stabilization by State Statute	3,139,241	3,384,316	3,971,056	3,414,788	3,879,522
Transportation	-	-	-	-	-
Debt service	-	-	293,653	61,249	-
Committed	750,940	-	-	-	-
Assigned					
Subsequent year's appropriation	1,847,967	270,292	286,323	998,745	1,838,714
Unassigned	18,218,742	19,403,631	21,017,856	20,315,639	21,368,277
Subtotal governmental activities	23,983,301	23,087,206	25,600,055	24,825,738	27,141,052
All Other Governmental Funds					
Restricted, reported in:					
Stabilization by state statute	79,991	2,181,258	1,153,086	2,867,981	435,240
Special revenue funds	955,625	1,994,683	1,202,723	1,820,564	1,864,020
Committed	1,342,079	6,470,958	-	-	-
Capital project funds	13,691,420	-	5,144,063	3,659,885	2,111,528
Unassigned (deficit)	-	(85,676)	-	-	-
Subtotal other governmental activities	16,069,115	10,561,223	7,499,872	8,348,430	4,410,788
Total governmental fund balance	<u>\$ 40,052,416</u>	<u>\$ 33,648,429</u>	<u>\$ 33,099,927</u>	<u>\$ 33,174,168</u>	<u>\$ 31,551,840</u>
General Fund unassigned fund balance as a percent of expenditures (including transfer out)	67.54%	76.15%	82.47%	73.40%	85.96%

Table 3 (cont'd)

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
General Fund					
Non Spendable					
Inventories	\$ 32,006	\$ 34,546	\$ 50,771	\$ 29,022	\$ 15,859
Prepaid items	26,108	-	-	9,214	9,212
Restricted					
Stabilization by State Statute	4,315,383	6,711,576	5,670,519	5,115,845	5,521,039
Transportation	-	-	-	-	148,823
Debt service	-	-	-	-	-
Committed	220,560	239,891	170,944	14,623	266,125
Assigned					
Subsequent year's appropriation	954,462	1,583,800	3,646,984	-	1,048,000
Unassigned	18,905,057	16,722,263	13,190,759	16,095,379	17,793,082
Subtotal governmental activities	24,453,576	25,292,076	22,729,977	21,264,083	24,802,140
All Other Governmental Funds					
Restricted, reported in:					
Stabilization by state statute	329,164	62,987	20,624	140,263	62,988
Special revenue funds	794,205	1,162,241	1,303,274	1,537,479	541,001
Committed	-	-	-	-	-
Capital project funds	5,121,111	5,467,896	5,276,648	6,820,509	6,205,124
Unassigned (deficit)	(165,871)	-	-	(27,462)	(12,686)
Subtotal other governmental activities	6,078,609	6,693,124	6,600,546	8,470,789	6,796,427
Total governmental fund balance	\$ 30,532,185	\$ 31,985,200	\$ 29,330,523	\$ 29,734,872	\$ 31,598,567
General Fund unassigned fund balance as a percent of expenditures (including transfer out)	65.56%	53.06%	41.86%	45.90%	51.35%

Table 4

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

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Revenues (by source):					
Ad valorem taxes	\$ 11,603,732	\$ 11,310,155	\$ 12,139,952	\$ 12,403,940	\$ 12,407,077
Sales Tax	5,452,410	5,105,479	5,269,457	5,491,152	6,016,074
Other taxes and licenses	1,271,879	1,321,032	1,631,962	1,626,638	951,626
Unrestricted intergovernmental	2,139,049	2,116,304	2,608,519	2,316,788	2,671,124
Restricted intergovernmental	3,724,998	2,078,787	2,951,620	1,539,487	1,614,191
Permits and fees	542,334	554,325	439,269	447,208	731,287
Sales and services	1,502,159	1,457,941	1,788,988	1,679,939	1,452,951
Investment earnings	235,024	253,517	(121,635)	347,082	202,655
Miscellaneous	468,319	206,288	449,217	138,603	156,893
Total revenues	26,939,904	24,403,828	27,157,349	25,990,837	26,203,878
Expenditures (by function):					
General government	3,114,368	3,025,762	3,537,203	3,134,239	2,986,788
Public safety	10,863,716	11,309,003	11,990,414	11,576,160	12,121,392
Transportation	1,786,894	1,781,557	2,007,509	1,739,707	2,868,091
Economic and physical development	806,305	1,021,655	2,212,781	947,827	788,260
Environmental protection	1,960,189	1,979,079	1,918,623	1,593,054	2,132,924
Cultural and recreation	2,965,898	2,974,985	3,264,938	2,921,604	3,278,844
Capital outlay	8,199,597	6,597,977	1,489,469	3,936,559	2,392,459
Debt service:					
Principal	549,700	1,249,700	1,249,700	1,224,700	894,700
Interest on long-term debt	272,184	360,490	288,867	268,684	553,500
Total expenditures	30,518,851	30,300,208	27,959,504	27,342,534	28,016,958
Excess of revenues over (under) expenditures	(3,578,947)	(5,896,380)	(802,155)	(1,351,697)	(1,813,080)
Other Financing Sources (Uses)					
Transfers in	6,849,267	2,266,764	4,532,958	5,458,684	2,579,286
Transfers out	(5,018,677)	(2,774,371)	(4,279,305)	(4,032,746)	(2,388,534)
Proceeds from long-term debt	7,000,000	-	-	-	-
Total other financing sources (uses)	8,830,590	(507,607)	253,653	1,425,938	190,752
Net change in fund balance	\$ 5,251,643	\$ (6,403,987)	\$ (548,502)	\$ 74,241	\$ (1,622,328)
Debt service as a percentage of noncapital expenditures	3.68%	6.79%	5.81%	6.38%	5.65%

Table 4 (cont'd)

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Revenues (by source):					
Ad valorem taxes	\$ 12,372,681	\$ 13,906,520	\$ 14,051,731	\$ 15,084,380	\$ 18,185,140
Sales Tax	-	-	-	-	-
Other taxes and licenses	1,025,895	1,056,491	1,138,232	1,208,374	984,287
Unrestricted intergovernmental	9,196,090	9,206,615	9,744,432	10,143,674	10,464,623
Restricted intergovernmental	1,344,424	1,199,144	1,143,277	1,389,239	1,522,846
Permits and fees	401,633	264,365	147,752	145,437	127,172
Sales and services	860,752	2,085,537	2,055,918	2,080,282	2,033,127
Investment earnings	210,735	204,253	243,917	678,422	357,445
Miscellaneous	122,099	231,231	271,745	228,510	164,949
Total revenues	25,534,309	28,154,156	28,797,004	30,958,318	33,839,589
Expenditures (by function):					
General government	3,448,253	3,849,861	4,430,652	7,247,149	7,372,822
Public safety	11,813,998	13,066,552	13,250,792	14,585,042	15,797,768
Transportation	1,651,590	2,493,858	1,750,239	2,080,374	2,120,079
Economic and physical development	951,028	427,733	772,399	432,903	264,074
Environmental protection	1,557,336	2,140,089	1,846,455	1,771,082	1,695,988
Cultural and recreation	3,089,320	3,429,881	3,350,140	3,594,863	3,468,422
Capital outlay	2,199,179	46,688	3,309,446	2,589,478	4,014,006
Debt service:					
Principal	894,700	894,700	894,700	894,700	894,700
Interest on long-term debt	183,717	149,424	115,130	80,837	46,543
Total expenditures	25,789,121	26,498,786	29,719,953	33,276,428	35,674,402
Excess of revenues over (under) expenditures	(254,812)	1,655,370			
Other Financing Sources (Uses)					
Transfers in	5,514,583	2,631,587	2,308,177	7,141,190	4,332,934
Transfers out	(6,497,908)	(2,833,942)	(4,039,905)	(4,418,731)	(1,884,426)
Proceeds from long-term debt	-	-	-	-	1,250,000
Total other financing sources (uses)	(983,325)	(202,355)	(1,731,728)	2,722,459	3,698,508
Net change in fund balance	\$ (1,238,137)	\$ 1,453,015	\$ (2,654,677)	\$ 404,349	\$ 1,863,695
Debt service as a percentage of noncapital expenditures	4.49%	4.17%	3.98%	3.23%	3.06%

Table 5

CITY OF STATESVILLE, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
FOR THE LAST TEN YEARS ⁽¹⁾
(accrual basis of accounting)

Fiscal Year Ended June 30	Property Tax	Sales Tax	Privilege License Tax	Occupancy Tax	Total
2011	\$ 11,760,600	\$ 5,452,410	\$ 348,992	\$ 677,747	\$ 18,239,749
2012	11,316,717	5,105,479	341,000	733,086	17,496,282
2013	12,144,774	5,269,457	687,341	803,829	18,905,401
2014	12,329,641	5,491,152	665,357	818,512	19,304,662
2015	12,252,525	6,016,074	343,527	915,685	19,527,811
2016	12,130,575	6,283,073	2,067	980,548	19,396,263
2017	13,809,298	5,451,174	2,572	1,008,183	20,271,227
2018	13,924,416	6,945,610	2,425	1,089,283	21,961,734
2019	15,012,204	7,317,507	2,755	1,150,853	23,483,319
2020	18,090,106	7,721,304	1,480	935,586	26,748,476

The City as of July 1, 2015 is not authorized to levy privilege licenses. Amount shown is beer and wine privilege license that is still authorized.

Table 6

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

Fiscal Year Ended June 30	Property Tax	Sales Tax	Privilege License Tax	Occupancy Tax	Total
2011	\$ 11,603,732	\$ 5,452,410	\$ 348,992	\$ 677,747	\$ 18,082,881
2012	12,407,077	5,105,479	341,000	733,086	18,586,642
2013	12,139,952	5,269,457	687,341	803,829	18,900,579
2014	12,403,940	5,491,152	665,357	818,512	19,378,961
2015	12,407,077	6,016,074	343,527	915,685	19,682,363
2016	12,372,681	6,283,073	2,067	980,548	19,638,369
2017	13,906,520	5,451,174	2,572	1,008,183	20,368,449
2018	14,051,731	6,945,610	2,425	1,089,283	22,089,049
2019	15,084,380	7,317,507	2,755	1,150,853	23,555,495
2020	18,185,141	7,721,304	1,480	935,586	26,843,511

The City as of July 1, 2015 is not authorized to levy privilege licenses. Amount shown is beer and wine privilege license that is still authorized.

Table 7

CITY OF STATESVILLE, NORTH CAROLINA
ASSESSED VALUE OF TAXABLE PROPERTY - CITY-WIDE
FOR THE LAST TEN YEARS ⁽¹⁾

Fiscal Year Ended June 30	Tax Year	Real Property	Motor Vehicle and Personal Property	Public Service Companies	Total Assessed Value	Total Direct Tax Rate
2011	2010	\$ 2,135,719,487	\$ 865,558,609	\$ 43,397,510	\$ 3,044,675,606	0.3835
2012	2011	2,046,476,967	851,682,471	45,081,888	2,943,241,326	0.3835
2013	2012	2,035,371,098	844,746,172	46,805,285	2,926,922,555	0.4135
2014	2013	2,036,899,857	898,217,364	46,105,962	2,981,223,183	0.4139
2015	2014	2,034,349,011	667,998,225	47,503,176	2,749,850,412	0.4140
2016	2015	2,020,695,223	681,250,767	48,394,452	2,750,340,442	0.4143
2017	2016	2,179,257,219	749,369,215	52,855,009	2,981,481,443	0.4640
2018	2017	2,261,548,275	691,310,880	52,410,234	3,005,269,389	0.4638
2019	2018	2,359,832,317	686,176,438	51,585,631	3,097,594,386	0.4849
2020	2019	2,492,960,249	728,774,749	54,706,893	3,276,441,891	0.5512

⁽¹⁾ Assessed valuations are established by the Board of County Commissioners at 100 percent of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The last revaluation was completed January 1, 2019, levied for fiscal year ending June 30, 2020. Tax rates for the City and districts are found on Table 13.

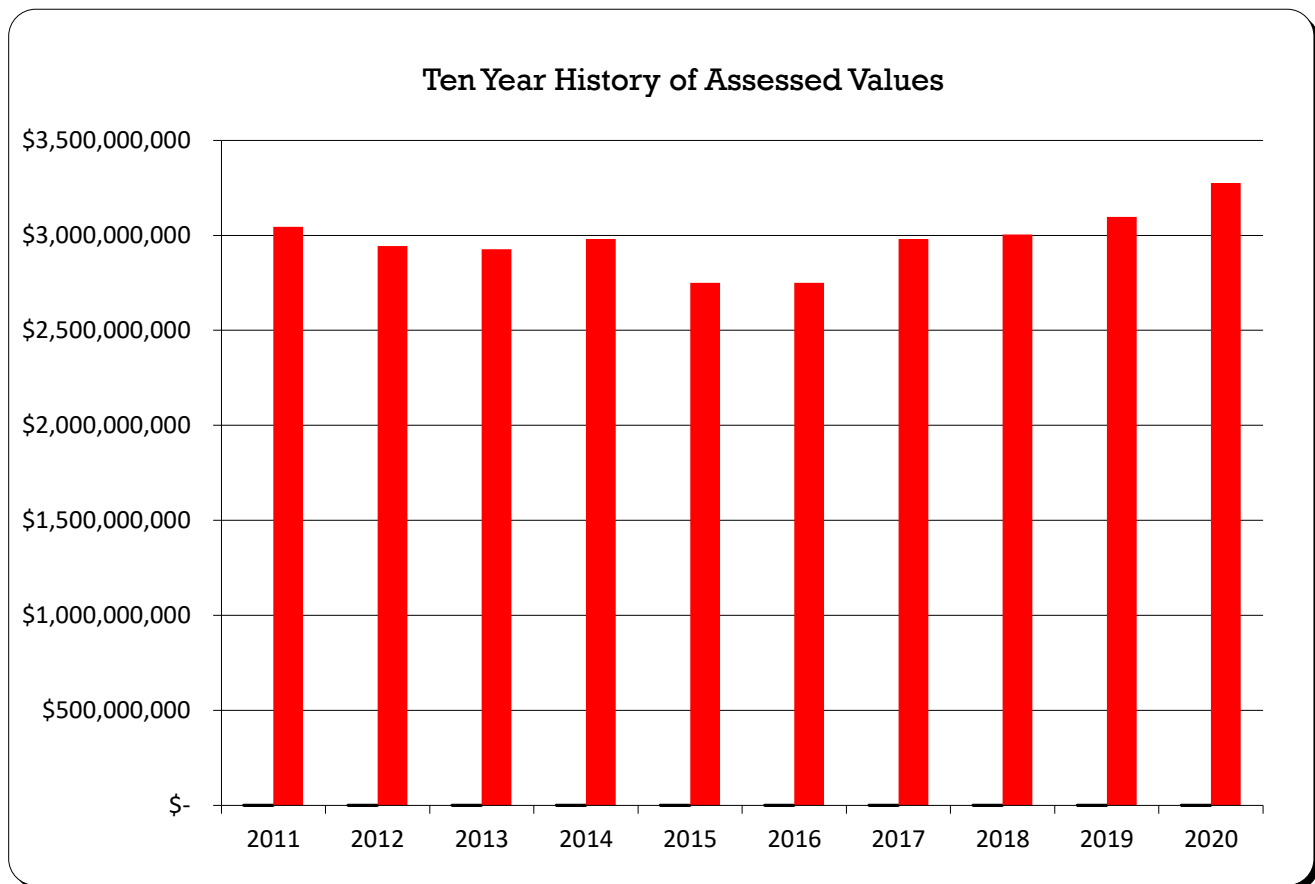
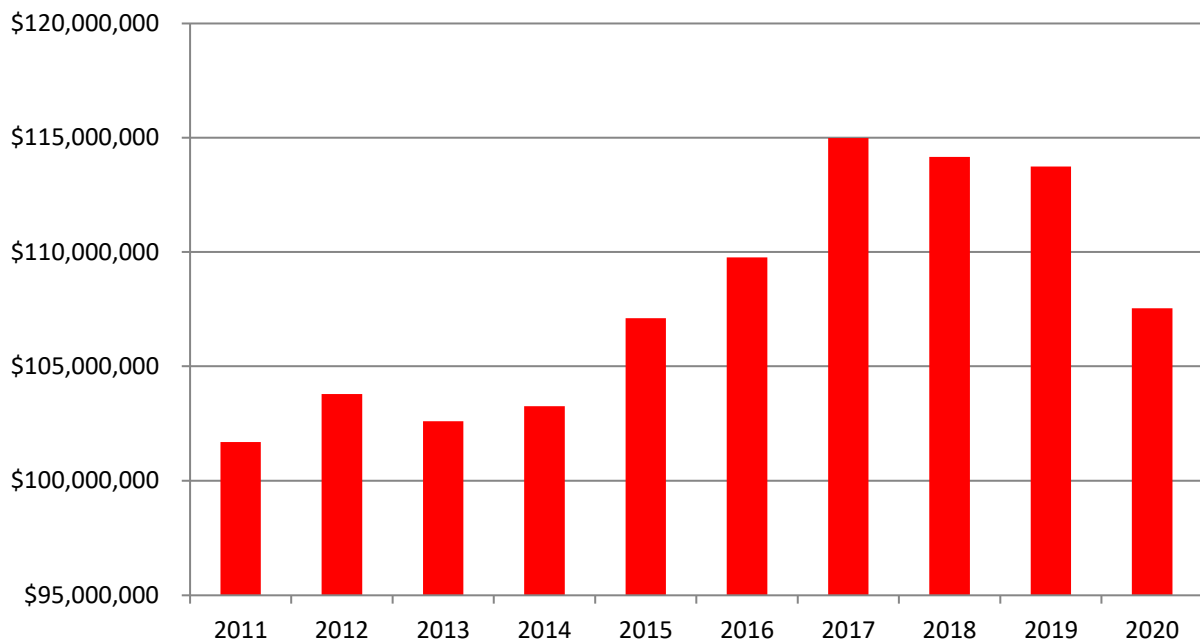


Table 8

CITY OF STATESVILLE, NORTH CAROLINA
ASSESSED AND APPRAISED VALUE OF TAXABLE PROPERTY
GENERAL FUND - DOWNTOWN SPECIAL TAX DISTRICT
Last Ten Fiscal Years

Fiscal Year Ended June 30	Assessed Value	Appraised Value	Ratio of Total Assessed Value to Total Appraised Value
2011	\$ 101,690,327	\$ 103,654,000	102%
2012	103,785,047	103,785,047	100%
2013	102,596,150	102,596,150	100%
2014	103,256,921	103,256,921	100%
2015	107,102,506	107,102,506	100%
2016	109,766,931	109,766,931	100%
2017	114,980,820	114,980,820	100%
2018	114,155,160	114,155,160	100%
2019	113,728,000	113,728,000	100%
2020	107,538,488	107,538,488	100%

Downtown Special District Assessed and Appraised Value



**CITY OF STATESVILLE, NORTH CAROLINA
 ASSESSED AND APPRAISED VALUE OF TAXABLE PROPERTY
 GENERAL FUND - WOODS DAM SPECIAL TAX DISTRICT**

Fiscal Year Ended June 30	Assessed Value	Appraised Value	Ratio of Total Assessed Value to Total Appraised Value
2016	\$ 1,663,678	\$ 1,663,678	100%
2017	1,917,326	1,917,326	100%
2018	1,932,968	1,932,968	100%
2019	1,894,258	1,894,258	100%
2020	2,001,703	2,001,703	100%

Woods Dam Special District Assessed and Appraised Value

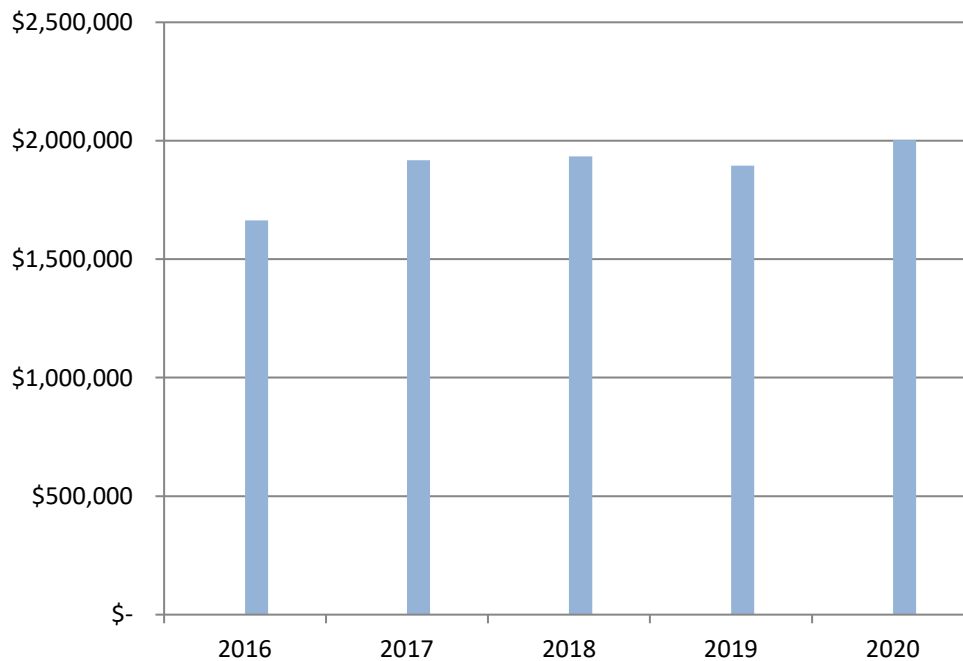


Table 10

CITY OF STATESVILLE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL FUND - CITY-WIDE
Last Ten Years

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Current Fiscal Year	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2011	2010	\$ 11,608,744	\$ 11,145,620	96.01%	\$ 323,674	\$ 11,469,294	98.80%	\$ 1,097,107	8.32%
2012	2011	11,320,637	10,890,248	96.20%	369,223	11,259,471	99.46%	1,108,411	9.45%
2013	2012	12,022,139	11,568,448	96.23%	389,300	11,957,748	99.46%	1,134,351	9.79%
2014	2013	12,244,494	11,870,889	96.95%	356,284	12,227,173	99.86%	1,098,152	9.44%
2015	2014	12,069,094	11,845,894	98.15%	359,943	12,205,837	101.13%	926,056	8.97%
2016	2015	12,074,692	11,900,200	98.55%	272,333	12,172,533	100.81%	783,173	7.67%
2017	2016	13,714,815	13,502,576	98.45%	204,689	13,707,265	99.94%	748,532	6.49%
2018	2017	13,824,239	13,645,040	98.70%	210,798	13,855,838	100.23%	671,863	5.46%
2019	2018	14,902,527	14,710,327	98.71%	229,286	14,939,613	100.25%	634,778	4.26%
2020	2019	17,948,349	17,769,715	99.00%	254,521	18,024,236	100.42%	558,435	3.11%

Note: Ratio of Total Tax Collections to Total Tax Levy includes only the current levy.
Total tax collections ratio may exceed 100% because of prior year levy collections.

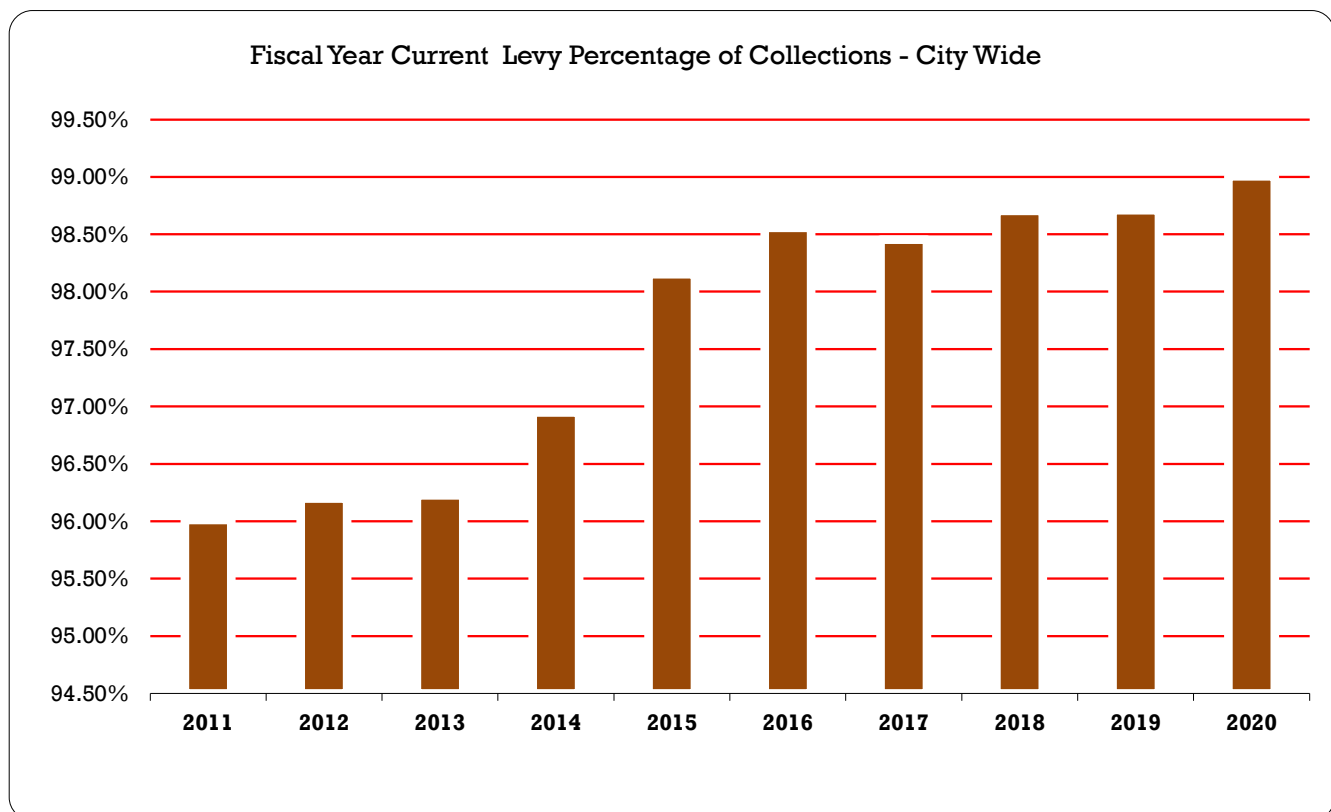


Table 11

CITY OF STATESVILLE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL FUND - DOWNTOWN SPECIAL TAX DISTRICT
Last Ten Years

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Current Fiscal Year	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2011	2010	\$ 101,971	\$ 98,997	97.08%	\$ 2,069	\$ 101,066	99.11%	\$ 8,258	8.10%
2012	2011	104,606	99,015	94.66%	2,721	101,736	97.26%	10,870	10.39%
2013	2012	102,596	99,202	96.69%	3,968	103,170	100.56%	9,899	9.65%
2014	2013	103,426	99,947	96.64%	2,617	102,564	99.17%	10,365	10.02%
2015	2014	107,438	103,910	96.72%	2,805	106,715	99.33%	10,365	9.65%
2016	2015	115,487	113,314	98.12%	5,998	119,312	103.31%	6,817	5.90%
2017	2016	114,981	113,187	98.44%	3,951	117,138	101.88%	4,382	3.81%
2018	2017	114,155	112,664	98.69%	1,665	114,329	100.15%	4,011	3.51%
2019	2018	113,728	111,346	97.91%	1,195	112,541	98.96%	5,197	4.57%
2020	2019	107,791	106,140	98.47%	2,563	108,703	100.85%	4,287	3.98%

Note: Ratio of Total Tax Collections to Total Tax Levy includes only the current levy.

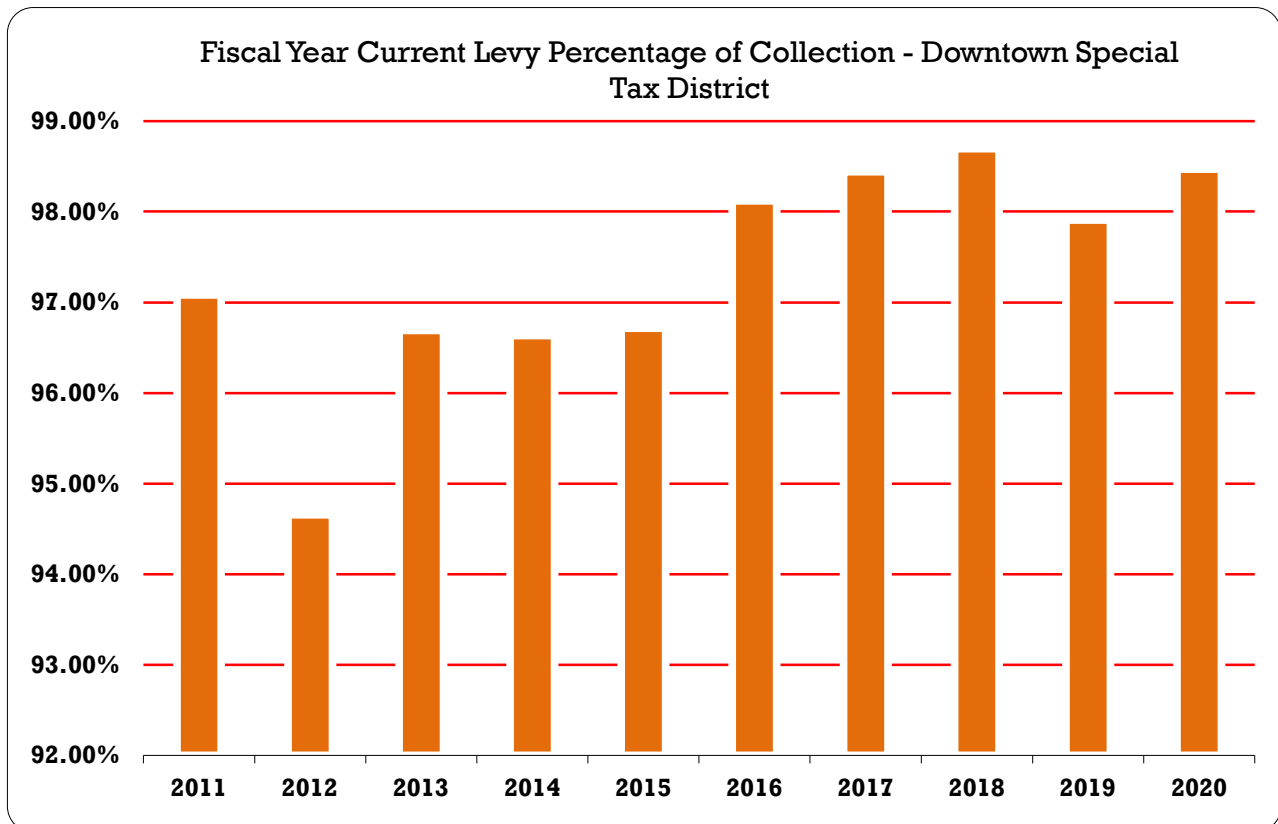


Table 12

CITY OF STATESVILLE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL FUND - WOODS DAM SPECIAL TAX DISTRICT

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Current Fiscal Year	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2016	2015	\$ 3,494	\$ 3,494	100.00%	\$ -	\$ 3,494	100.00%	\$ -	0.00%
2017	2016	4,026	4,026	100.00%	-	4,026	100.00%	-	0.00%
2018	2017	4,026	4,059	100.00%	-	4,059	100.00%	-	0.00%
2019	2018	3,978	3,978	100.00%	-	3,978	100.00%	-	0.00%
2020	2019	4,204	4,204	100.00%	-	4,204	100.00%	-	0.00%

Note: Ratio of Total Tax Collections to Total Tax Levy includes only the current levy.

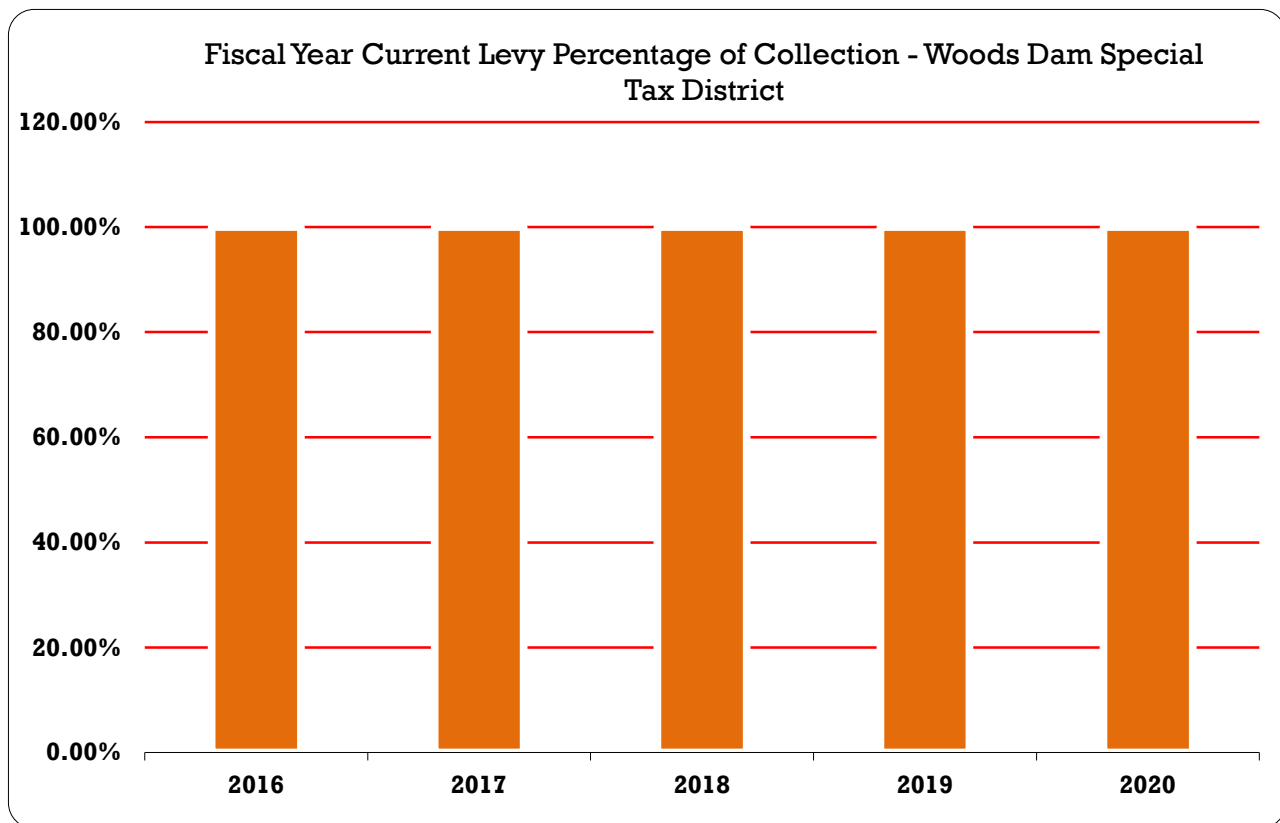


Table 13

CITY OF STATESVILLE, NORTH CAROLINA
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Statesville City -wide Tax Rate	Downtown Tax Rate	Woods Dam Special District	City of Statesville Direct (¹) Tax Rate	Iredell County Tax Rate	City of Statesville Direct Tax Rate Plus County Tax Rate
2011	0.3800	0.1000	0.0000	0.3835	0.4850	0.8685
2012	0.3800	0.1000	0.0000	0.3839	0.4850	0.8685
2013	0.4100	0.1000	0.0000	0.4139	0.4850	0.8989
2014	0.4100	0.1000	0.0000	0.4140	0.4850	0.8990
2015	0.4100	0.1000	0.0000	0.4639	0.5275	0.9914
2016	0.4100	0.1000	0.2100	0.4143	0.5275	0.9418
2017	0.4600	0.1000	0.2100	0.4640	0.5275	0.9915
2018	0.4600	0.1000	0.2100	0.4638	0.5275	0.9913
2019	0.4811	0.1000	0.2100	0.4849	0.5275	1.0124
2020	0.5478	0.1000	0.2100	0.5512	0.5275	1.0787

⁽¹⁾ Direct tax rate is the prorata rate of the city-wide and special district rates.

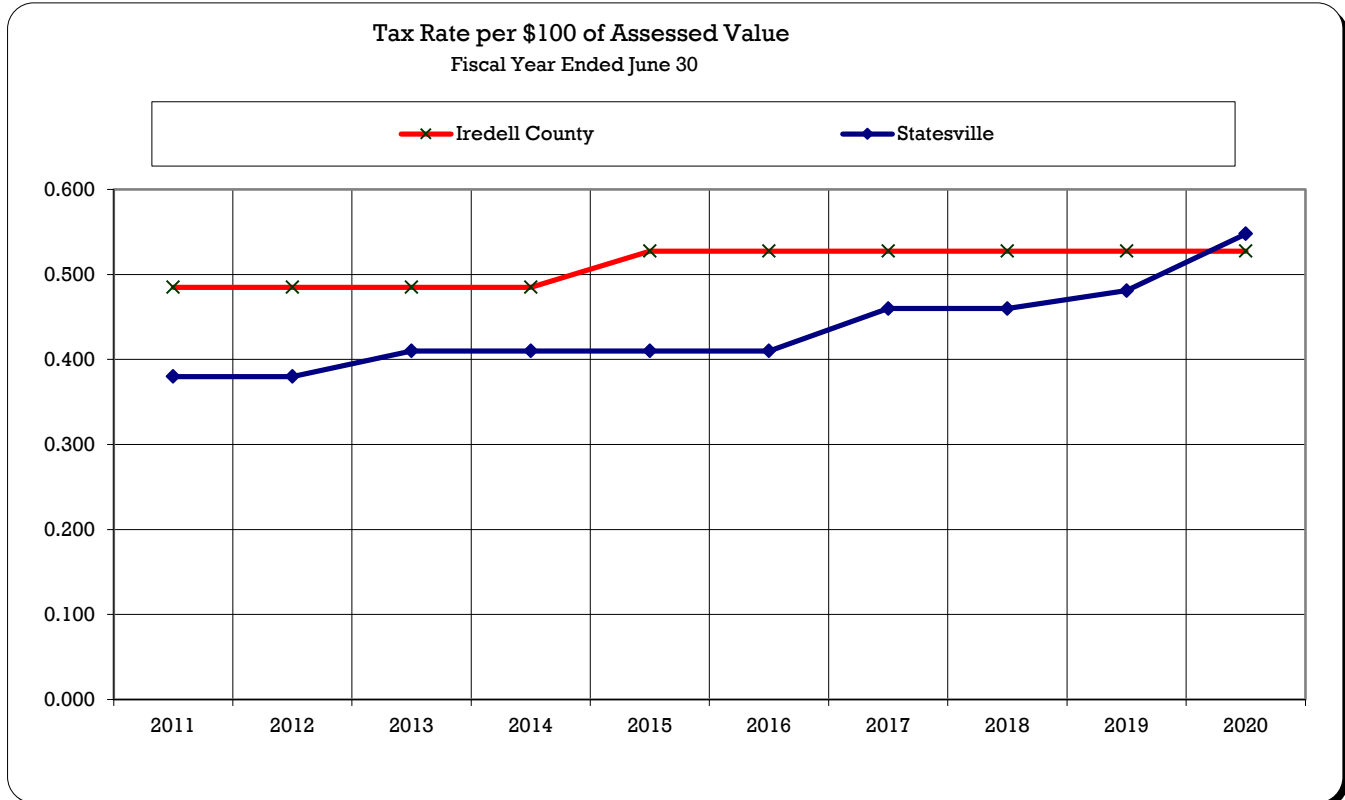


Table 14

CITY OF STATESVILLE, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS - CITY WIDE
June 30, 2020 and June 30, 2011

In accordance with GASB No. 44, the following tables present information for the City's principal property taxpayers as of June 30, 2020 and June 30, 2011 for City wide only.

June 30, 2020

Taxpayer	Type of Business	Percentage of Total Assessed Valuation	Assessed Valuation	Tax Levy
Asmo NC, Inc.	Electric Motor Mfg.	3.73%	\$ 122,110,637	\$ 668,922
Providencia USA, Inc.	Non-Woven Plastic Materials Mfg.	1.94%	63,581,368	345,299
Lowe's	Home Improvement Retailer	1.81%	59,401,810	325,403
Statesville HMA, Inc.	Health Care Facility	1.12%	36,845,587	201,840
Clark Equipment Company	Heavy Equipment Manufacturer	0.89%	29,187,136	159,887
Bartlett Milling Company	Flour and Feed Milling	0.78%	25,470,261	139,526
Pratt Industries, Inc.	Manufacturing	0.65%	21,217,938	116,232
Centro NP Holdings	Real Estate	0.61%	20,038,440	109,771
Vereit, Inc.	Real Estate	0.59%	19,268,290	105,552
Cheney Bros Inc.	Food Distributor	0.59%	19,174,512	105,038
Ten largest taxpayers		12.71%	416,295,979	2,277,469
All other taxpayers		87.29%	2,860,145,912	15,670,879
Total:		100.00%	\$ 3,276,441,891	\$ 17,948,349

June 30, 2011

Taxpayer	Type of Business	Percentage of Total Assessed Valuation	Assessed Valuation	Tax Levy
Lowe's	Home Improvement Retailer	6.20%	\$ 188,644,111	\$ 716,847
Asmo NC, Inc.	Electric Motor Mfg.	1.97%	59,994,505	227,979
Statesville HMA, Inc.	Health Care Facility	1.14%	34,856,934	132,456
Newell Rubbermaid	Home & Office Products, Tool Mfg.	0.93%	28,279,413	107,462
GS Statesville Green Land	Real Estate	0.89%	27,130,880	103,097
Centro NP Holdings	Real Estate	0.75%	22,731,710	86,381
Doosan International USA	Portable Air Compressor Mfg.	0.70%	21,321,962	81,023
L R Wooten	Warehouse Building and Leasing	0.62%	18,770,840	71,329
Pratt Industries (Jett Corr)	Corrugated Container Manufacturer	0.57%	17,230,622	65,476
Statesville Shoppes Corp.	Real Estate	0.53%	16,003,130	60,812
Ten largest taxpayers		14.29%	434,964,107	1,652,862
All other taxpayers		85.71%	2,609,711,499	9,955,882
Total:		100.00%	\$ 3,044,675,606	\$ 11,608,744

Table 15

CITY OF STATESVILLE, NORTH CAROLINA
PRINCIPAL ELECTRIC CUSTOMERS
June 30, 2020 and June 30, 2011

Electric Customer	Type of Business	Dollar Amount of Annual Electric Charges	Percentage of Total Electric Charges for Services
June 30, 2020			
Providencia USA	Non-Woven Plastic Materials	\$ 2,957,937	6.7%
Kewaunee Scientific	Scientific Equipment	1,266,212	2.9%
Iredell Memorial Hospital	Health Care Facility	1,193,129	2.7%
Amesbury Truth	Window/Door Manufacturer	842,209	1.9%
Toter	Row out Bins	782,932	1.8%
Accuma Corporation	Plastics/Batteries	704,369	1.6%
J C Steele & Sons	Brick Making Machinery	658,828	1.5%
Sanford, LP	Glue Manufacturer	620,608	1.4%
Statesville Housing Authority	Housing Authority	605,917	1.4%
Talon Systems America Inc	Training Management Software	605,211	1.4%
	Ten largest electric users	10,237,352	23.1%
	All other electric users	34,064,293	76.9%
	Total electric charges	<u>\$ 44,301,645</u>	<u>100.0%</u>
June 30, 2011			
City of Statesville	Municipal Corporation	\$ 1,481,587	3.6%
Commscope	Cable Manufacturer	1,488,522	3.6%
Kewaunee Scientific	Scientific Equipment	919,151	2.2%
International Paper	Wood/Veneers	860,643	2.1%
Iredell Memorial Hospital	Health Care Facility	822,762	2.0%
Accuma Corporation	Plastics/Batteries	649,223	1.6%
Hunt Manufacturing	Art Supply	610,193	1.5%
Statesville Housing Authority	Housing Authority	570,173	1.4%
J C Steele & Sons	Brick Making Machinery	513,056	1.2%
J C Penney Logistics	Distribution Center	475,723	1.1%
	Ten largest electric users	8,391,033	20.3%
	All other electric users	33,019,299	79.7%
	Total electric charges	<u>\$ 41,410,332</u>	<u>100.0%</u>

Source: City of Statesville's utility billing records.

Table 16

CITY OF STATESVILLE, NORTH CAROLINA
PRINCIPAL WATER CUSTOMERS
June 30, 2020 and June 30, 2011

Water Customer	Type of Business	Dollar Amount of Annual Water Charges	Percentage of Total Water Charges for Services
June 30, 2020			
Statesville Housing Authority	Housing Authority	\$ 103,040	2.3%
Mocaro Industries/Finishing	Knit Fabrics	94,539	2.1%
Iredell Memorial Hospital	Health Care Facility	66,799	1.5%
West Iredell Water Corp.	Utility	65,409	1.5%
Clark-Schwebel Fiber	Textile Manufacturer	46,060	1.0%
Ridgeview Apartments	Real Estate	42,333	0.9%
Statesville Brian Center	Assistance Living	39,513	0.9%
Rental Uniform Svc. Inc.	Apparel Rental	34,854	0.8%
Iredell Water Corp	Utility	33,897	0.8%
Kewaunee Scientific	Scientific Equipment	31,688	0.7%
	Ten largest water users	558,130	12.5%
	All other water users	3,918,075	87.5%
	Total water charges	<u>\$ 4,476,206</u>	<u>100.0%</u>
June 30, 2011			
Statesville Housing Authority	Housing Authority	95,290	2.4%
West Iredell Water Corp.	Utility	93,434	2.4%
Mocaro Industries/Finishing	Knit Fabrics	80,732	2.0%
City of Statesville	Municipal Corporation	60,053	1.5%
Iredell Water Corporation	Utility	49,133	1.2%
Iredell Memorial Hospital	Health Care Facility	48,441	1.2%
Clark-Schwebel Fiber	Textile Manufacturer	33,333	0.8%
Mariner Post Acute	Health Care Facility	33,250	0.8%
Rental Uniform Svc. Inc.	Apparel Rental	32,920	0.8%
International Paper	Wood/Veneers	26,936	0.7%
	Ten largest water users	553,522	14.0%
	All other water users	3,388,788	86.0%
	Total water charges	<u>3,942,310</u>	<u>100.0%</u>

Source: City of Statesville's utility billing records.

Table 17

CITY OF STATESVILLE, NORTH CAROLINA
PRINCIPAL SEWER CUSTOMERS
June 30, 2020 and June 30, 2011

Sewer Customer	Type of Business	Dollar Amount of Annual Sewer Charges	Percentage of Total Sewer Charges for Services
June 30, 2020			
Town of Troutman	Utility	\$ 338,316	4.9%
Mocaro Industries/Finishing	Knit Fabrics	197,462	2.9%
Statesville Housing Authority	Housing Authority	168,799	2.4%
Iredell Memorial Hospital	Health Care Facility	110,653	1.6%
Clark-Schwebel Fiber	Fiberglass	76,366	1.1%
Ridgeview Apartments	Real Estate	70,061	1.0%
Statesville Brian Center	Assistance Living	65,361	0.9%
Iredell-Statesville School Adm	School System	62,632	0.9%
Rental Uniform Svc. Inc.	Apparel Rental	57,460	0.8%
Kewaunee Scientific	Scientific Equipment	52,533	0.8%
	Ten largest sewer users	1,199,642	17.4%
	All other sewer users	5,704,444	82.6%
	Total sewer charges	<u>\$ 6,904,086</u>	<u>100.0%</u>
June 30, 2011			
Mocaro Industries/Finishing	Knit Fabrics	\$ 366,769	5.7%
Town of Troutman	Utility	200,556	3.1%
Statesville Housing Authority	Housing Authority	154,622	2.4%
Iredell Memorial Hospital	Health Care Facility	79,285	1.2%
Iredell-Statesville School Adm	School System	61,851	1.0%
Clark-Schwebel Fiber	Fiberglass	55,312	0.9%
Mariner Post Acute	Health Care Facility	54,375	0.8%
Rental Uniform	Apparel Rental	53,721	0.8%
Kewaunee Scientific	Scientific Equipment	33,565	0.5%
Pratt Industries (Jett Corr)	Corrugated Container Mfg.	29,844	0.5%
	Ten largest sewer users	1,089,900	16.8%
	All other sewer users	5,381,251	83.2%
	Total sewer charges	<u>\$ 6,471,151</u>	<u>100.0%</u>

Source: City of Statesville's utility billing records.

Table 18

CITY OF STATESVILLE, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities		Total Primary Government	Percent of Personal Income	^{2.} Per Capita
	General		General				
	Obligation Bonds	Notes Payable	Obligation Bonds	Notes Payable			
2011	\$ 25,000	\$ 10,072,300	\$ 120,000	\$ 14,052,736	\$ 24,350,036 ⁽¹⁾	0.10% ⁽²⁾	\$ 988.51
2012	25,000	8,847,600	120,000	13,051,207	24,350,036 ⁽¹⁾	0.10% ⁽²⁾	988.51
2013	-	7,622,900	80,000	12,049,677	19,752,577 ⁽¹⁾	0.12% ⁽²⁾	796.14
2014	-	6,398,200	-	20,159,905	26,558,105 ⁽¹⁾	0.10% ⁽²⁾	1,063.13
2015	-	5,173,500	-	29,681,145	34,854,645 ⁽¹⁾	0.06% ⁽²⁾	1,395.25
2016	-	4,275,800	-	31,790,563	36,066,363 ⁽¹⁾	0.07% ⁽²⁾	1,402.60
2017	-	3,384,100	-	29,674,165	33,058,265 ⁽¹⁾	0.06% ⁽²⁾	1,285.61
2018	-	2,484,555	-	27,481,372	29,965,927 ⁽¹⁾	0.09% ⁽²⁾	1,165.35
2019	-	1,594,700	-	25,318,743	26,913,443 ⁽¹⁾	0.08% ⁽²⁾	1,042.19
2020	-	1,950,000	-	28,600,377	30,550,377 ⁽¹⁾	0.07% ⁽²⁾	1,182.84

Notes:

^{1.} The U.S. Census Bureau, QuickFacts, Per Capita Income In Past 12 months (in 2018 dollars), 2014-2018 statistic, per capita income of: \$22,876.

^{2.} From the North Carolina Office of Management and Budget. For the report fiscal year are projections from the North Carolina Office of Management and Budget. The population estimates are determined as of July 1 of each year. The 2019 estimate of 25,828 was the basis for allocating sales tax for fiscal year 2020.

Table 19

CITY OF STATESVILLE, NORTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities	Business-type Activities	Less: Amounts Available in Debt Service Fund	Total General Obligation Bonds	⁽¹⁾ Percent of Assessed ⁽²⁾ Value	Per Capita
	General Obligation Bonds	General Obligation Bonds				
2011	\$ 25,000	\$ 200,000	\$ -	\$ 225,000	0.01%	\$ 9.13
2012	-	80,000	-	80,000	0.00%	3.25
2013	-	-	-	-	0.00%	-
2014	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-
2019	-	-	-	-	0.00%	-
2020	-	-	-	-	0.00%	-

Notes:

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

^{1.} See schedule of Assessed Value and Estimated Actual Value of Taxable Property Table 7.

^{2.} The City is not obligated for any general obligation bonds or debt as of June 30, 2013.

Table 20

CITY OF STATESVILLE, NORTH CAROLINA
Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)

For the Fiscal Years 2010-11 through 2019-20:

	2015-16	2016-17	2017-18	2018-19	2019-20
Debt Limit	\$ 232,915	\$ 234,881	\$ 240,422	\$ 247,817	\$ 262,115
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 232,915</u>	<u>\$ 234,881</u>	<u>\$ 240,422</u>	<u>\$ 247,817</u>	<u>\$ 262,115</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for the current Fiscal Year:

Total assessed value	\$ 3,284,031
Less current year abatements	(7,589)
Assessed value of taxable property	<u>3,276,442</u>
Debt limit - eight percent (8%) of assessed value	<u>262,115</u>
Amount of debt applicable to debt limit:	
Total bonded debt	<u>-</u>
Legal debt margin	<u>\$ 262,115</u>

	2010-11	2011-12	2012-13	2013-14	2014-15
Debt Limit	\$ 243,574	\$ 235,459	\$ 235,459	\$ 232,800	\$ 234,856
Total net debt applicable to limit	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 243,549</u>	<u>\$ 235,459</u>	<u>\$ 235,459</u>	<u>\$ 232,800</u>	<u>\$ 234,856</u>
Total net debt applicable to the limit as a percentage of debt limit	0.01%	0.00%	0.00%	0.00%	0.00%

CITY OF STATESVILLE, NORTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2020

Jurisdiction	Principal	Allocated Amount	Total
Direct debt:			
City of Statesville	(1) \$ 1,950,000	100%	\$ 1,950,000
Overlapping debt:			
Iredell County	(1) <u>201,349,123</u>	14%	<u>29,092,149</u>
	<u>\$ 203,299,123</u>		<u>\$ 31,042,149</u>

⁽¹⁾ Long-term includes general obligation bonds, commercial loans, lease purchase, and certificates of participation. Compensated absences, other post employee benefits, and obligations of the business-like funds are not included.

Table 22

**CITY OF STATESVILLE, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Population Estimate ⁽¹⁾</u>	<u>Per Capita Personal Income ⁽²⁾</u>	<u>Unemployment Rate ⁽³⁾</u>	<u>Median Age ⁽⁴⁾</u>	<u>School Enrollment ⁽⁵⁾</u>
2011	24,532	\$ 25,018	11.6%	37.10	21,130
2012	24,633	24,559	10.1%	37.10	21,239
2013	24,680	24,633	9.2%	37.10	21,447
2014	24,710	26,031	6.5%	40.00	20,863
2015	24,981	20,188	5.9%	40.00	20,967
2016	25,102	26,392	4.9%	40.00	20,643
2017	25,363	19,936	5.3%	40.00	20,233
2018	25,714	26,532	3.9%	40.00	20,427
2019	25,824	20,883	4.0%	40.00	20,437
2020	25,828	22,876	14.2%	40.00	20,283

Sources:

- ¹. From the North Carolina Office of Management and Budget. For the report fiscal year are projections from the North Carolina Office of Management and Budget. The population estimates are determined as of July 1 of each year. The 2019 estimate of 25,828 was the basis for allocating sales tax for fiscal year 2020.
 - ². The U.S. Census Bureau has information for the City, this information beginning with this date will reference the U.S. Census Bureau statistics calendar year 2015 that will result in a decrease in the per capita income from the county wide per capita that had been previously determined by the Department of Commerce. The U.S. Census Bureau, QuickFacts, Per Capita Income In Past 12 months (in 2018 dollars), 2014-2018 statistic, per capita income of: \$22,876.
 - ³. From the North Carolina Department of Commerce, June 2020, Iredell County Profile.
 - ⁴. From the North Carolina Department of Commerce, June 2020, Iredell County Profile.
 - ⁵. Information on the City of Statesville alone is not available. The student enrollment data is from the North Carolina Department of Public Instruction's Average Daily Membership (ADM) for the Iredell-Statesville School system not including private or parochial schools.
-

Table 23

CITY OF STATESVILLE, NORTH CAROLINA
PRINCIPAL EMPLOYERS
June 30, 2020 and June 30, 2011

June 30, 2020			
<u>Company or Organization</u> ⁽¹⁾	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Iredell-Statesville Schools	2,900	1	4.02%
Iredell Memorial Hospital	1,448	2	2.01%
Iredell County Government	1,330	3	1.85%
Davis Regional Medical Center	500	4	0.69%
Kewaunee Scientific	500	5	0.69%
Doosan Infracore Power	500	6	0.69%
City of Statesville	425	7	0.59%
ASMO North Carolina	400	8	0.55%
Piedmont HealthCare	389	9	0.54%
Manheim Statesville	350	10	0.49%
All other	63,338		87.87%
Total Employed	72,080		100.00%
June 30, 2011			
<u>Company or Organization</u> ⁽³⁾	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Iredell Statesville Schools	3,169	1	4.50%
Iredell Memorial Hospital	1,650	2	2.34%
Lowe's Regional Distribution	992	3	1.41%
JC Penney Distribution	932	4	1.32%
Iredell County Government	883	5	1.25%
Piedmont Healthcare	740	6	1.05%
Statesville Auto Auction	700	7	0.99%
Davis Regional Medical Center	542	8	0.77%
Mitchell Community College	500	9	0.71%
Kewaunee Scientific	490	10	0.70%
All other	59,777		84.94%
Total Employed	70,375		100.00%

Sources:

⁽¹⁾ Iredell County Economic Development Corporation.

⁽²⁾ Total Iredell County employed from the North Carolina Department of Commerce as of June 2020.

⁽³⁾ June 30, 2011 are estimates based on previous data.

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Table 24

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL GOVERNMENT
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Function/Program					
General Government Activities:					
General government:					
Personnel					
Number of new hires-full time	43	23	20	26	33
Number of new hires-part-time	110	80	96	117	100
Turnover rate	8.00%	8.20%	9.60%	7.80%	10.86%
Public Safety:					
Police					
UCR Part 1 Violent Crime (2)	N/A	N/A	N/A	N/A	N/A
Vehicle Crashes Investigated	1,725	1,690	1,690	1,665	1,665
Number of incoming calls	58,060	93,590	93,590	89,679	94,603
Fire					
Fire emergency responses	1,822	1,890	1,890	2,197	4,015
City-wide fire loss	\$ 488,735	\$ 1,373,470	\$ 1,462,225	\$ 713,190	\$ 412,525
Number of fire inspections	863	777	777	987	985
Investigations	15	22	9	20	20
Transportation:					
Street Department					
Miles of street resurfacing	4.54	3.22	4.11	4.10	3.71
Environmental protection:					
Sanitation					
Number of household collection points	9,546	9,546	9,546	9,342	9,700
Cost per ton collected	\$ 63.00	\$ 60.00	\$ 60.00	\$ 78.00	\$ 84.00
Cemeteries					
Number of burials	230	230	230	239	219
Recreation:					
Fitness Center Avg. Daily Attendance (3)	N/A	262	262	288	260
Leisure Pool Avg. Daily Attendance (4)	N/A	428	428	402	420

(1) Source: Various City departments.

(2) The department implemented a new public safety software system in February 2017.

(3) Fitness Center and Leisure Pool opened FY2009 with software purchased during FY2011 to calculate average daily attendance.

(4) Leisure Pool season of operation Memorial Day through Labor Day.

Table 24 (cont'd)

CITY OF STATESVILLE, NORTH CAROLINA
GENERAL GOVERNMENT
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Function/Program					
General Government Activities:					
General government:					
Personnel					
Number of new hires-full time	42	49	47	59	70
Number of new hires-part-time	96	92	91	86	65
Turnover rate	11.67%	11.20%	8.58%	15.17%	13.16%
Public Safety:					
Police					
UCR Part 1 Violent Crime (2)	N/A	N/A	346	227	241
Vehicle Crashes Investigated	1,665	1,625	1,625	1,866	1,686
Number of incoming calls	73,836	77,595	79,406	72,416	83,598
Fire					
Fire emergency responses	3,634	4,015	4,015	4,751	4,573
City-wide fire loss	\$ 1,558,700	\$ 435,640	\$ 435,640	\$ 2,971,873	\$ 1,444,301
Number of fire inspections	1,099	1,037	1,037	1,147	1,272
Investigations	23	11	11	126	107
Transportation:					
Street Department					
Miles of street resurfacing	4.00	4.74	4.70	3.80	4.19
Environmental protection:					
Sanitation					
Number of household collection points	9,700	10,011	10,149	12,126	12,508
Cost per ton collected	\$ 84.00	\$ 84.00	\$ 84.00	\$ 84.00	\$ 84.00
Cemeteries					
Number of burials	213	212	212	195	201
Recreation:					
Fitness Center Avg. Daily Attendance (3)	204	190	200	205	200
Leisure Pool Avg. Daily Attendance (4)	424	416	433	416	269

(1) Source: Various City departments.

(2) The department implemented a new public safety software system in February 2017.

(3) Fitness Center and Leisure Pool opened FY2009 with software purchased during FY2011 to calculate average daily attendance.

(4) Leisure Pool season of operation Memorial Day through Labor Day.

Table 25

CITY OF STATESVILLE, NORTH CAROLINA
ENTERPRISE FUNDS
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Function/Program					
Business-type activities:					
Airport:					
Assessed Values created by the Airport	\$284,394,380	\$239,607,307	\$251,174,453	\$201,968,428	\$162,252,962
Lease Revenues	\$151,391	\$164,862	\$180,256	\$193,750	\$215,682
Fuel Fee Revenue	\$132,510	\$157,895	\$123,898	\$144,902	\$156,727
Gallons Pumped	1,334,904	1,357,103	1,421,769	1,394,458	1,378,316
Passengers Flown (charter) Estimate	N/A	N/A	N/A	N/A	N/A
Take-off and landings	N/A	N/A	N/A	N/A	N/A
Based aircraft (29 jet powered)	N/A	N/A	N/A	N/A	N/A
Electric:					
⁽²⁾ Kwh purchased	464,051,769	461,666,247	469,944,924	479,643,199	466,069,742
Purchased power cost	\$34,847,545	\$36,560,241	\$38,639,838	\$40,826,057	\$41,571,134
⁽²⁾ Cost per kwh	0.0751	0.0792	0.0822	0.0851	0.0892
⁽²⁾ Kwh sold	444,968,375	447,066,312	453,300,014	461,546,534	449,547,013
Electric Billed	\$41,410,332	\$40,248,347	\$43,927,172	\$45,919,158	\$46,311,527
⁽²⁾ Sold per kwh	0.0931	0.0900	0.0969	0.0995	0.1030
Accounting/line kwh loss	19,083,394	14,599,935	16,644,910	18,096,665	16,522,729
Loss as a percent of billed kwh	4.29%	3.27%	3.67%	3.92%	3.68%
Average number of customers	12,897	12,941	12,824	12,829	12,937
Water:					
⁽³⁾ Water MG average annually treated	1,189	1,143	1,172	1,141	1,153
⁽⁴⁾ Sold Water to Customers MG	954	953	950	903	942
⁽⁴⁾ Accounted for Water	N/A	N/A	N/A	N/A	N/A
Accounting/line loss	235	190	222	238	211
⁽⁴⁾ Loss as a percent of billed water	19.78%	16.59%	18.97%	20.86%	18.30%
⁽⁴⁾ Average number of water customers	11,323	11,308	11,366	11,397	11,716
Billed water customers	\$ 3,448,842	\$ 3,432,791	\$ 3,663,166	\$3,626,264	\$3,812,861
Sewer:					
⁽³⁾ 3rd Creek treated- average daily MGD	1.12	0.84	0.92	1.07	0.87
⁽³⁾ 4th Creek treated - average daily MGD	2.83	2.16	2.21	2.48	2.03
⁽⁴⁾ Average number of sewer customers	10,333	10,318	10,376	10,399	10,399
Billed sewer customers	\$ 5,381,251	\$ 5,292,768	\$ 5,710,498	\$5,628,097	\$5,911,549
Billed Sewer units in MG	954	954	963	959	958
Civic Center:					
Paid Bookings	624	563	502	620	665

⁽¹⁾ Source: City billings and annual Public Utility Commission report.

⁽²⁾ Kwh is kilowatts per hour.

⁽³⁾ MGD is millions of gallons per day.

⁽⁴⁾ MG is millions of gallons.

Table 25 (cont'd)

CITY OF STATESVILLE, NORTH CAROLINA
ENTERPRISE FUNDS
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Function/Program					
Business-type activities:					
Airport:					
Assessed Values created by the Airport	\$157,363,502	\$127,027,000	\$126,205,187	\$115,396,097	\$115,396,097
Lease Revenues	\$330,143	\$238,871	\$261,481	\$536,370	\$523,960
Fuel Fee Revenue	\$185,198	\$173,519	\$266,335	\$178,850	\$1,410,097
Gallons Pumped	1,603,941	1,586,000	1,758,294	1,585,640	1,804,332
Passengers Flown (charter) Estimate	N/A	16,300	19,500	19,500	19,500
Take-off and landings	N/A	36,000	38,000	39,500	39,500
Based aircraft (29 jet powered)	N/A	82	109	110	105
Electric:					
⁽²⁾ Kwh purchased	465,250,083	466,013,226	482,057,405	490,361,788	488,679,803
Purchased power cost	\$39,165,656	\$39,120,860	\$38,633,348	\$36,197,211	\$35,422,643
⁽²⁾ Cost per kwh	0.0842	0.0839	0.0801	0.0738	0.0725
⁽²⁾ Kwh sold	444,241,616	449,410,533	463,614,719	460,404,866	466,672,071
Electric Billed	\$45,569,103	\$46,913,124	\$48,418,485	\$46,537,224	\$45,978,723
⁽²⁾ Sold per kwh	0.1026	0.1044	0.1044	0.1011	0.0985
Accounting/line kwh loss	21,008,467	16,602,693	18,442,686	29,956,922	22,007,732
Loss as a percent of billed kwh	4.73%	3.69%	3.98%	6.51%	4.50%
Average number of customers	13,110	13,113	13,245	13,214	13,738
Water:					
⁽³⁾ Water MG average annually treated	1,139	1,191	1,123	1,082	1,143
⁽⁴⁾ Sold Water to Customers MG	949	957	925	971	974
⁽⁴⁾ Accounted for Water	N/A	N/A	N/A	9	13
Accounting/line loss	190	234	198	102	156
⁽⁴⁾ Loss as a percent of billed water	16.69%	19.65%	17.63%	9.43%	16.00%
⁽⁴⁾ Average number of water customers	11,604	11,743	11,941	10,895	11,442
Billed water customers	\$ 4,062,313	\$ 3,998,656	\$ 4,071,768	\$4,425,692	\$4,476,206
Sewer:					
⁽³⁾ 3rd Creek treated- average daily MGD	0.84	0.89	0.83	0.83	0.80
⁽³⁾ 4th Creek treated - average daily MGD	2.20	2.39	2.36	3.58	3.60
⁽⁴⁾ Average number of sewer customers	10,638	10,780	10,972	10,895	11,446
Billed sewer customers	\$ 6,134,494	\$ 6,429,454	\$ 6,428,001	\$7,270,989	\$6,904,086
Billed Sewer units in MG	959	980	963	977	10,254
Civic Center:					
Paid Bookings	790	686	725	728	508

⁽¹⁾ Source: City billings and annual Public Utility Commission report.

⁽²⁾ Kwh is kilowatts per hour.

⁽³⁾ MGD is millions of gallons per day.

⁽⁴⁾ MG is millions of gallons.

Table 26

CITY OF STATESVILLE, NORTH CAROLINA
CAPITAL ASSETS STATISTICS BY FUNCTION
FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Function/Program					
General Government Activities;					
General government:					
City hall	1	1	1	1	1
City office building	1	1	1	1	1
Garage	1	1	1	1	1
Warehouse	1	1	1	1	1
Public Safety:					
Police					
(4) Number of police stations	2	3	3	3	3
Fire					
Number of fire stations	3	4	4	4	4
Transportation:					
Street miles	141.60	142.24	142.15	145.70	145.70
Airport - acres	390.41	394	429.4	429.4	429.4
Airport - terminals	1	1	1	1	1
Environmental protection:					
Sanitation - packers	8	9	9	9	9
Cemeteries					
(2) Number of cemeteries	2	2	2	2	2
Cemeteries - acreage	60	60	60	60	60
Recreation:					
Parks - acreage	350	350	350	358	358
Number of Parks	20	20	20	20	20
Greenways/trails-miles	6.00	6.00	6.00	12.91	12.91
Soccer fields	7	7	7	7	7
Recreation Centers & Pool	4	4	4	4	4
Business-type activities:					
Electric:					
Miles of distribution lines	248.5	248.5	248.5	248.5	248.5
Number of substations	10	10	10	10	10
Water:					
Miles of distribution lines	277	265	270	279	279
Water treatment plants	1	1	1	1	1
(3) Water plant capacity-MGD	15	15	15	15	15
Sewer:					
Miles of collection lines	279	265	276	291	291
Sewer treatment plants	2	2	2	2	2
(3) 3rd Creek plant capacity-MGD	4	4	4	4	4
(3) 4th Creek plant capacity-MGD	6	6	6	6	6
Civic Center:					
Civic Center	1	1	1	1	1

Notes:

(1) Source: City of Statesville capital asset records.

(2) Four Cemeteries are maintained, two are closed.

(3) MGD is Millions of gallons per day. Plant Capacity found on Table 23.

Table 26 (cont'd)

CITY OF STATESVILLE, NORTH CAROLINA
CAPITAL ASSETS STATISTICS BY FUNCTION
FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Function/Program					
General Government Activities;					
General government:					
City hall	1	1	1	1	1
City office building	1	1	1	1	1
Garage	1	1	1	1	1
Warehouse	1	1	1	1	1
Public Safety:					
Police					
(4) Number of police stations	2	2	2	2	2
Fire					
Number of fire stations	4	4	4	4	4
Transportation:					
Street miles	145.70	145.36	145.24	146.12	146.12
Airport - acres	429.4	415	498	467	467
Airport - terminals	1	1	1	1	1
Environmental protection:					
Sanitation - packers					
	9	9	9	9	9
Cemeteries					
(2) Number of cemeteries	2	2	2	2	2
Cemeteries - acreage	60	60	60	60	60
Recreation:					
Parks - acreage	358	358	358	358	358
Number of Parks	20	20	20	20	20
Greenways/trails-miles	12.91	12.91	12.91	12.91	12.91
Soccer fields	7	7	7	7	7
Recreation Centers & Pool	4	4	4	4	4
Business-type activities:					
Electric:					
Miles of distribution lines	248.5	268	447.3	282	284.2
Number of substations	10	10	10	10	10
Water:					
Miles of distribution lines	279	276	266	275	275
Water treatment plants	1	1	1	1	1
(3) Water plant capacity-MGD	15	15	15	15	15
Sewer:					
Miles of collection lines	291	285	286	287	267
Sewer treatment plants	2	2	2	2	2
(3) 3rd Creek plant capacity-MGD	6	6	6	6	6
(3) 4th Creek plant capacity-MGD	6	6	6	6	6
Civic Center:					
Civic Center	1	1	1	1	1

Notes:

- (1) Source: City of Statesville capital asset records.
(2) Four Cemeteries are maintained, two are closed.
(3) MGD is Millions of gallons per day. Plant Capacity found on Table 23.

#REF!

Table 27

CITY OF STATESVILLE, NORTH CAROLINA
CITY EMPLOYEES BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Function/Program										
Governmental Activities:										
General Government:										
Mayor and Council	9	9	9	9	9	9	9	9	9	9
City Manager	3	3	3	3	3	3	3	3	3	4
City Clerk	1	1	1	1	1	1	1	1	1	1
Finance Administration	6	6	6	6	6	6	6	6	6	6
Collections	5	5	5	5	5	5	5	5	5	5
Information Technology	9	9	8	8	10	10	11	13	13	13
Purchasing	3	3	3	3	3	3	3	3	3	3
Human Resources	4	4	3	3	3	3	3	3	4	4
Planning	10	10	8	8	8	8	7	7	8	7
Public Works	6	6	4	4	4	4	6	5	5	5
Garage	9	9	9	9	9	9	9	9	9	9
Warehouse	1	1	-	-	-	-	-	-	-	-
Subtotal general government	66	66	59	59	61	61	63	64	66	66
Public Safety										
Police	99	101	96	96	97	97	100	99	101	103
Fire	59	74	73	73	72	70	71	71	74	83
Subtotal Public Safety	158	175	169	169	169	167	171	170	175	186
Transportation										
Street Department	21	21	17	17	17	17	16	16	16	16
Airport	1	1	1	1	1	-	-	-	-	-
Subtotal Transportation	22	22	18	18	18	17	16	16	16	16
Environmental protection										
Sanitation	31	31	28	28	26	26	24	22	20	22
Subtotal environmental protection	31	31	28	28	26	26	24	22	20	22
Recreation										
Recreation Administration	3	3	3	3	3	3	3	3	3	3
Athletics	2	2	1	1	1	1	1	1	1	1
Programs	3	3	3	3	3	3	3	3	3	3
Fitness & Activity Center	4	4	4	4	4	4	4	4	4	4
Parks	7	7	12	12	12	12	14	15	15	15
Urban Forestry	4	4	-	-	-	-	-	-	-	-
Public Grounds/Cemeteries	8	8	5	5	5	5	6	6	6	6
Subtotal Recreation	31	31	28	28	28	28	31	32	32	32
Total Governmental	308	325	302	302	302	299	305	304	309	322
Business-type activities										
Airport Operating	-	-	-	-	-	2	2	2	2	5
Electric	34	34	31	31	32	33	34	33	33	33
Sewer Maintenance	7	7	6	6	6	6	6	6	6	6
Water Maintenance	16	16	15	15	15	15	15	15	15	15
Water Plant	12	12	12	12	12	12	12	12	12	12
Third Creek WWTP	7	7	7	7	7	7	7	7	7	7
Sewer Treatment Plants	15	15	15	15	15	15	15	15	14	14
Stormwater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Civic Center	7	7	7	7	7	7	7	7	8	8
Subtotal Business-type	100	100	94	94	94	97	98	97	97	105
Total primary government	408	425	396	396	396	396	403	401	406	427

Source: City of Statesville's adopted operating budget.

COMPLIANCE SECTION

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

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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Statesville, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the City of Statesville ABC Board, as described in our report on the City of Statesville, North Carolina's financial statements. The financial statements of the City of Statesville ABC Board and the Statesville Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances or reportable non-compliance associated with the City of Statesville ABC Board or the Statesville Convention and Visitors Bureau.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 28, 2021

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

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Statesville, North Carolina's compliance with the types of compliance requirements described in 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 its major federal programs for the year ended June 30, 2020. The City of Statesville's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Statesville's major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Statesville's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Statesville's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Statesville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Statesville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Statesville's internal control over compliance with the requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Statesville's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 28, 2021

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

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the compliance of the City of Statesville, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Statesville's major state programs for the year ended June 30, 2020. The City of Statesville's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Statesville's major state programs based on our audit of the types of compliance requirements referred to above. 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; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Statesville's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Statesville's compliance.

Opinion on Each Major State Program

In our opinion, the City of Statesville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Statesville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Statesville's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Statesville's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 28, 2021

CITY OF STATESVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

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

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

Identification of major federal programs:

Federal Program Name

CFDA#

Airport Improvement Program 20.106

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

Auditee qualified as low-risk auditee? No

CITY OF STATESVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for
major state programs

Unmodified

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

No

Identification of major state programs:

State Program Name

State Aid to Airports

Powell Bill

CITY OF STATESVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

2. Financial Statement Findings

None reported

3. Federal Award Findings and Questioned Costs

None reported

4. State Award Findings and Questioned Costs

None reported

CITY OF STATESVILLE, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

None reported

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant/WBS Number	Federal Direct Pass-Through Expenditures	State Expenditures	Passed- through to Subrecipients
Federal Grants:					
<u>U.S. Department of Transportation</u>					
Federal Highway Administration:					
Passed through N.C. Department of Transportation:					
Highway Planning & Construction Cluster:					
Highway Planning and Construction	20.205	STBCSA-1003(153)	\$ 112,666	\$ -	\$ -
Highway Planning and Construction	20.205	STBGDA-1003(155)	135,442	-	-
Total Highway Planning & Construction Cluster			248,108	-	-
Federal Administration:					
Airport Improvement Program	20.106	36237.46.17.1	62,320	-	-
Airport Improvement Program	20.106	36237.16.18.1	462,278	-	-
COVID-19 - Airport Improvement Program	20.106	36237.46.17.2	157,000	-	-
Airport Improvement Program	20.106	36237.46.16.1	32,446	-	-
Total U.S. Department of Transportation			962,152	-	-
<u>U.S. Department of the Treasury</u>					
Passed through the N.C. Department of Treasury:					
Equitable Sharing	21.016	NC0490200	17,104	-	-
Passed through the Office of State Budget and Management:					
N.C. Pandemic Recovery Office:					
Passed through Iredell County					
COVID-19 - Coronavirus Relief Fund (Note 4)	21.019	02-48-26	73,985	-	-
Total U.S. Department of the Treasury			91,089	-	-
<u>U.S. Department of Justice</u>					
Office of Community Oriented Policing Services:					
Public Safety Partnership & Community Policing Grant	16.710	2017-UM-WX-0044	156,210	-	-
Office of Justice Programs:					
Bulletproof Vest Partnership Program	16.607	2018	3,781	-	-
Passed through the N.C. Department of Public Safety:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0700	13,011	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-GP-BX-0042	32,181	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0129	15,929	-	-
Office of Violence Against Woman:					
Passed through the N.C. Department of Public Safety:					
Violence Against Women Formula Grants	16.588	2018-WF-AX-0026	29,390	-	-
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	79,606	-	-
Total U.S. Department of Justice			330,108	-	-
<u>U.S. Department of Homeland Security</u>					
Federal Emergency Management Agency:					
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00488	82,355	-	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00300	319,116	-	-
Total U.S. Department of Homeland Security			401,471	-	-
State Grants:					
<u>N.C. Department of Transportation</u>					
Division of Aviation:					
State Aid to Airports	DOT-8	36244.59.7.1	-	1,976,832	-
State Aid to Airports	DOT-8	36244.59.8.1	-	19,374	-
State Aid to Airports	DOT-8	36244.59.8.2	-	117,084	-
State Aid to Airports	DOT-8	36244.59.8.3	-	294,872	-
Powell Bill	DOT-4	32570	-	583,440	-
Total N.C. Department of Transportation			-	2,991,602	-
Total Federal Grants			\$ 1,784,820		
Total State Grants				\$ 2,991,602	

CITY OF STATESVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2020

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

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of the City of Statesville under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. 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 Schedule presents only a selected portion of the operations of the City of Statesville, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Statesville.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

The City of Statesville has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Coronavirus Relief Funds

The City of Statesville received \$622,455 of funding from the Coronavirus Relief Fund (21.019) from Iredell County in accordance with HB 1043 and HB 1023. The City of Statesville has a plan to spend these funds approved by OSBM. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties; however, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.