

REVIEWED

By SLGFD at 10:07 am, Dec 13, 2021



BURKE COUNTY, NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

BURKE COUNTY, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

Jeffrey Brittain	Chairman
Scott Mulwee	Vice-Chairman
Wayne Abele	Commissioner
Johnnie W. Carswell	Commissioner
Maynard Taylor	Commissioner
Kay H. Draughn	Clerk to the Board

COUNTY OFFICIALS

Kenneth B. Steen	County Manager
Margaret Pierce	Deputy County Manager/Finance Director
Kaitlin Settlemyer	Animal Services Director
Brock Hall	Communications Director
Spring Williams-Byrd	Cooperative Extension Director
Korey Fisher-Wellman	DSS Director
Debbie Mace	Board of Elections Director
Jason Black	Emergency Medical Services Director
Michael Willis	Fire Marshal/Emergency Services Director
Mark Delehant	General Services Director
Rebecca McLeod	Health Director
Rhonda Lee	Human Resources Director
Scott Black	Information Technology Director
Jim Wilson	Library Director
Shane Prisby	Interim Planning Director
Treg McGee	Recreation Director
Stephanie Norman	Register of Deeds
Roxanne Powell	Senior Services Director
Steve Whisenant	Sheriff
Lea Ann Branch	Soil and Water Director
Danny Isenhour	Tax Administrator

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FINANCIAL SECTION

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

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Morganton, North Carolina 28655
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Independent Auditors' Report

To the Board of Commissioners of
Burke County
Morganton, North Carolina

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 Burke County, North Carolina, as of, and for, the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Burke County, North Carolina'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Burke County Tourism Development Authority, which represents 100 percent of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Burke County Tourism Development Authority, is based solely on the report of the other auditors. 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 financial statements are free from material misstatement. The financial statements of the Burke County Tourism Development Authority 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 the 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.

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Burke County, North Carolina as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and for the School One Cent Sales Tax 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 Postemployment Benefits Schedules of Changes in Net OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and Contributions and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, on pages 4–10 and 56-62, 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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burke County, North Carolina's basic financial statements. The combining and individual fund financial statements, the budgetary schedules, other schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* and the State Audit Implementation Act and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, the 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. In our opinion, the combining and individual fund financial statements, the 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 statistical section has 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 any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2021, on our consideration of Burke County, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is 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 Burke County, North Carolina'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 Burke County, North Carolina's internal control over financial reporting and compliance.

Lowdermilk Church & Co., L.L.P

Morganton, North Carolina
October 31, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Burke County

Year Ended June 30, 2021

As management of Burke County, we offer readers of Burke County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. We encourage users to read the information presented here in conjunction with additional information we have furnished in the County's financial statements and notes which follow this narrative.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$54,092,565.
- The County's total net position increased by \$8,650,561 primarily due to an unprecedented 16.21% increase in sales tax received over the previous year's amount. A reduction at outstanding principal debt also increased net position.
- The County's unassigned fund balance for the General Fund was \$28,379,793 at the end of the year, representing 33.92% of total General Fund expenditures. This is an increase of \$9,201,754 in unassigned fund balance over the previous year.
- Total fund balance increased by \$9,389,232 bringing it to \$36,164,364 including prior year adjustments.
- Total County debt decreased by \$6,148,772 outstanding principal with governmental debt decreasing by \$6,080,000.
- The Coronavirus pandemic created unique challenges and changes to how staff operated while continuing operations. Every effort was made to find ways to keep staff and citizens safe working within the Governor's Executive Orders to attempt to contain the virus. Not all programs were able to renew during the fiscal year which led to reduced expenditures.
- The Sallyport addition to the Courthouse was completed.

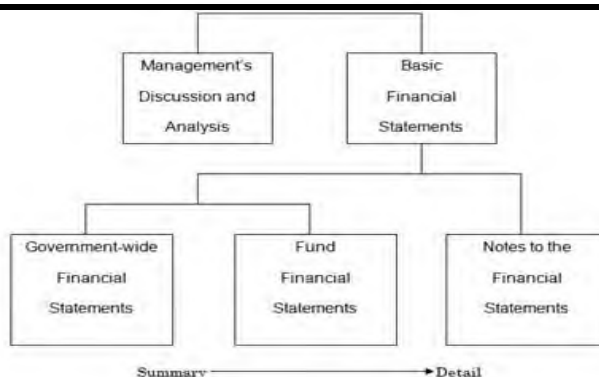
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Burke County's basic financial statements. The County's basic financial statements consist of three components, 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The basic financial statements present two different views of the County's finances 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 Burke County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits C through I) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental fund statements, 2) the budgetary comparison statements 3) the proprietary fund statements and 4) the fiduciary fund statements.

The next sections of the basic financial statements are the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Directly following the notes is the **supplemental information**. This section first contains **required supplemental information** about the County's pension plans and the other postemployment benefits plan, followed by additional **supplemental information**. This **supplemental information** is provided to show details about the County's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

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

The two government-wide statements report the County's net position and how the net position has changed. Net position is the difference between the County'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 County's financial condition.

Government-wide financial statements may be divided into as many as three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes water, sewer and solid waste services offered by Burke County. The final category is the component units. The Burke County Tourism Development Authority (TDA) is a separate governmental entity created to administer occupancy tax funds collected to promote tourism in the County. The nine voting members of the Authority Board are appointed by the County Board of Commissioners.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County'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. Burke County, like all governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All County funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 County's activities 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 focuses on current financial resources. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County'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.

The County 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 County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County 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 three columns: 1) the final budget as amended by the board, 2) the actual resources, charges to appropriations, and ending balances in the General Fund, and 3) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds - Burke County has three proprietary funds, the Water and Sewer Fund, the Water and Sewer Capital Fund, and the Solid Waste Fund. Enterprise funds are used to report the same functions presented as business-like activities in the government-wide financial statements. Burke County uses enterprise funds to account for its water, sewer and solid waste

operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and Statement of Activities.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Burke County has two fiduciary funds, both of which are custodial funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 23 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Burke County's progress in funding its obligation to provide pension benefits to its employees and other postemployment benefits. Required supplementary information can be found beginning on page 56 of this report.

Government-Wide Financial Analysis

Burke County's Net Position

Figure 2

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 79,067,331	\$ 61,337,210	\$ 2,573,028	\$ 3,030,247	\$ 81,640,359	\$ 64,367,457
Net capital assets	56,250,065	61,301,723	19,736,319	19,212,479	75,986,384	80,514,202
Total assets	135,317,396	122,638,933	22,309,347	22,242,726	157,626,743	144,881,659
Total deferred outflows of resources	13,470,254	9,415,499	363,659	235,557	13,833,913	9,651,056
Long-term liabilities outstanding	52,835,984	58,659,494	1,247,522	169,254	54,083,506	58,828,748
Other liabilities	55,025,455	42,193,740	7,128,949	6,977,257	62,154,404	49,170,997
Total liabilities	107,861,439	100,853,234	8,376,471	7,146,511	116,237,910	107,999,745
Total deferred inflows of resources	1,095,401	1,058,341	34,780	32,625	1,130,181	1,090,966
Net position:						
Net investment in capital assets	37,852,760	41,891,855	18,551,001	19,091,140	56,403,761	60,982,995
Restricted	30,790,157	26,753,785	-	-	30,790,157	26,753,785
Unrestricted	(28,812,107)	(38,502,783)	(4,289,246)	(3,791,993)	(33,101,353)	(42,294,776)
Total net position	\$ 39,830,810	\$ 30,142,857	\$ 14,261,755	\$ 15,299,147	\$ 54,092,565	\$ 45,442,004

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the County exceeded liabilities by \$54,092,565 at June 30, 2021. The County's net position increased by a total of \$8,650,561 for the fiscal year. Net position is reported in three categories: Net investment in capital assets of \$56,403,761; restricted net position of \$30,790,157; and unrestricted net position of \$(33,101,353).

The net investment in capital assets is defined as the County's investment in County owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment), less any related debt still outstanding that was issued to acquire those items. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding 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. At June 30, 2021, the increase in this category of net position correlates to reduced outstanding debt along with increased capital assets such as the completion of the Sallyport project at the Courthouse.

Another category of net position is restricted net position. This represents resources that are subject to external restrictions on how they may be used. The County has restricted assets due to statutory requirements for Register of Deeds Automation Enhancement Funds, DSS, Health Department, Public Safety, Environmental Protection, and Stabilization by State Statutes. Special revenues funds (particularly for Education) and Register of Deeds pension assets account for the balance of the restricted net position.

The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to citizens and creditors. Several particular aspects of the County's financial operations affected the reporting of total unrestricted net position:

- Liabilities for school debt of \$32,315,000 are reported with no offsetting assets creating a negative unrestricted net position;
- Increases for pension liabilities will decrease overall net position which affects unrestricted net position and are partially outside the County's control.

Burke County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 5,779,741	\$ 5,770,397	\$ 6,851,507	\$ 6,540,773	\$ 12,631,248	\$ 12,311,170
Operating grants and contributions	22,542,065	15,184,315	189,606	217,576	22,731,671	15,401,891
Capital grants	40,922	5,255,926	765,827	3,487,729	806,749	8,743,655
General revenues:						
Property taxes	56,036,350	55,318,275	-	-	56,036,350	55,318,275
Other taxes	21,141,340	18,160,125	-	-	21,141,340	18,160,125
Grant and contributions not restricted to specific programs	2,976,500	3,045,818	-	-	2,976,500	3,045,818
Other	113,750	1,109,923	(108,850)	23,253	4,900	1,133,176
Total revenues	108,630,668	103,844,779	7,698,090	10,269,331	116,328,758	114,114,110
<u>Expenses</u>						
General government	10,623,348	10,453,824	-	-	10,623,348	10,453,824
Public safety	32,233,510	29,506,814	-	-	32,233,510	29,506,814
Transportation	70,850	67,539	-	-	70,850	67,539
Economic & physical development	3,234,480	4,257,274	-	-	3,234,480	4,257,274
Environment protection	596,951	591,599	-	-	596,951	591,599
Human services	26,246,546	21,621,693	-	-	26,246,546	21,621,693
Cultural and recreation	1,874,753	2,968,954	-	-	1,874,753	2,968,954
Education	22,462,944	24,279,078	-	-	22,462,944	24,279,078
Interest on long-term debt	1,975,289	126,734	-	-	1,975,289	126,734
Water/Sewer	-	-	2,874,649	3,357,292	2,874,649	3,357,292
Solid Waste	-	-	5,603,518	5,292,781	5,603,518	5,292,781
Total expenses	99,318,671	93,873,509	8,478,167	8,650,073	107,796,838	102,523,582
Increase (decrease) in net position before transfers and special items	9,311,997	9,971,270	(780,077)	1,619,258	8,531,920	11,590,528
Transfers	257,315	220,210	(257,315)	(220,210)	-	-
Increase (decrease) in net position after transfer and special items	9,569,312	10,191,480	(1,037,392)	1,399,048	8,531,920	11,590,528
Net position, beginning, previously reported	30,142,857	19,951,377	15,299,147	13,900,099	45,442,004	33,851,476
Restatement	118,641	-	-	-	118,641	-
Net position, beginning, restated	30,261,498	19,951,377	15,299,147	13,900,099	45,560,645	33,851,476
Net position, ending	\$39,830,810	\$30,142,857	\$14,261,755	\$15,299,147	\$ 54,092,565	\$ 45,442,004

Governmental activities: Governmental activities increased the County's net position by \$9,569,312, thereby accounting for the growth in the net position of Burke County. Key elements of this increase are as follows:

- Unexpected sales tax increases (16.21% over the prior year's amount), which resulted in revenues above projections;
- Continued high property tax collections at a rate of 98.75% for the current fiscal year;
- Reduction of some budgeted expenditures due to Coronavirus funding covering some of these expenditures;
- Close monitoring of expenditures throughout the year with actual expenditures below budget.

Business-type activities: Business-type activities decreased Burke County's net position by \$1,037,392. Key elements of this decrease are as follows:

- Continued high maintenance and repair cost with aging systems increased expenses;
- Large expenses for depreciation and post closure (for Solid Waste) were incurred;
- Expenses were monitored closely for saving opportunities.

Financial Analysis of the County's Funds

Burke County uses fund accounting to ensure and demonstrate compliance with finance-related legal and accounting requirements.

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the General Fund increased to \$28,379,793 while total fund balance increased to \$36,164,364. 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 33.92% of total General Fund expenditures including transfers out (\$86,206,252), while total fund balance represents 41.95% of that same amount.

General Fund Budgetary Highlights - During the fiscal year, the County 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 more exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues, transfers, and expenditures by \$4,376,898 with approximately \$800,548 of the amendments related to appropriations of fund balance. The amended fund balance amount included \$603,523 carried forward from the prior fiscal year as follows: \$74,120 for the foundation drainage repair work project at the Senior Center, \$86,422 of General Services projects not completed in the prior fiscal year, and the balance was for other small projects or purchases carried forward for completion. Increases other than carried forward projects include EDC projects of \$1,564,410, \$624,684 to purchase a new public safety computer system, and other grants and revenues received throughout the year. The actual operating revenues for the General Fund were \$1,116,988 more than the budgeted amount, predominately in ad valorem taxes (1,310,049 or 2.68%). Actual operating expenses were less than budgeted by \$8,296,530. DSS expenditures below budget are \$1,478,778 (17.82%) of the total amount under budget for expenditures and the Sheriff's Office and Jail operations are \$1,619,572 (19.52%) of the amount.

Proprietary Funds - Burke County's proprietary funds are used to provide information on the water and sewer and solid waste enterprises. Total net position of the proprietary funds at the end of the fiscal year amounted to \$14,261,755. The total change in proprietary net position was a decrease of (\$1,037,392). The Water and Sewer Fund (including Capital Fund) accounted for (\$775,189) of the decrease with the Solid Waste Fund showing a decrease of \$(262,203). Fees for services are in the process of evaluation to determine if they are set appropriately to fund capital replacement in future years. Charges for services are sufficient to fund daily operations but not capital replacement accounted for through depreciation expenses.

Capital Asset and Debt Administration

Capital Assets: Burke County's investment in capital assets for its governmental and business type activities as of June 30, 2021, totals \$75,986,384 (net of depreciation). These assets include buildings, land, equipment, improvements, and vehicles. Major capital asset transactions during the year include:

- Purchased 26 new vehicles and numerous pieces of equipment for County governmental departments;
- Completion of the sallyport revisions at the Courthouse;
- Continued work on the Overmountain Victory Trail and the Fonta Flora Trail;

Burke County's Capital Assets, Net of Depreciation

Figure 4

	Governmental Activities	Business Activities	Total
	2021	2021	2021
Land	\$ 2,647,159	\$ 1,356,659	\$ 4,003,818
Buildings	45,146,408	15,187,060	60,333,468
Other improvements	3,635,208	1,131,613	4,766,821
Equipment	1,339,402	1,348,885	2,688,287
Vehicles	3,181,740	438,323	3,620,063
Construction in progress	300,148	273,779	573,927
Total	\$ 56,250,065	\$ 19,736,319	\$ 75,986,384

Additional information on the County's capital assets can be found in Note 3.A.5 of this report.

Long-term Debt. As of June 30, 2021, Burke County had \$725,000 in bonded debt outstanding with no bonds authorized but not issued.

Burke County's Outstanding Debt

Figure 5

	Total Outstanding Debt	
	<u>2021</u>	<u>2020</u>
General Obligation	\$ 475,000	\$ 725,000
Installment purchase	<u>51,425,318</u>	<u>56,191,340</u>
Total:	<u>\$ 51,900,318</u>	<u>\$ 56,916,340</u>

Burke County's total governmental debt decreased by (\$6,080,000) or (10.71%) during the past fiscal year due to scheduled debt service payments. Governmental debt is \$50,715,000 of the total outstanding debt. There is \$1,185,318 in debt associated with the business activities. New debt of \$1,132,750 was issued for business activities, along with decreases of \$68,772, for a net increase of \$1,063,978. The State of North Carolina limits the amount of debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries less outstanding debt principal. The legal debt margin for Burke County as of June 30, 2021 is \$543,592,064. Additional information regarding Burke County's long-term debt can be found in Note 3.B.6. of this report.

Economic Factors

The following key economic factors reflect the fiscal environment the County is working in:

- The County continues to experience growth in employment with 115 new positions proposed through economic development incentive agreements in the past fiscal year;
- The County's unemployment rate of 4.2% as of July 2021 is slightly lower than the state average of 4.4% and also lower than the federal rate of 5.4%, all of which are currently affected by the Coronavirus pandemic;
- Construction and real estate sales have continued to show minor increases, with the housing market favoring sellers;
- The pandemic uncertainties are seen in slowed government projects and some business closures or changes in practices. It is unknown how long this will continue and the long term financial and social impacts of the pandemic.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental activities – Revenues are projected with a minimal increase primarily due to program revenues. Other revenues are expected to maintain current levels with minor increases.

Budgeted expenditures in the General Fund are projected to increase. Nine additional fulltime and seven additional parttime positions are authorized in the budget. There is a 2 percent cost of living increase for all staff along with the next year of the pay plan review. Vehicle replacement is a primary portion of the allocation for capital purchases. The tax department was budgeted for \$350,000 for reappraisal costs. Several other departments received funding for smaller projects.

Businesses-type activities – Water and sewer rates in the County were increased by approximately 5.5% this year. Evaluations will be done during the year to determine potential increases needed for future capital. Solid waste expenditures are projected to increase mainly due to increased capital purchases costs, while Water/Sewer's budget is basically flat.

All activities may be affected by uncertainties due to the ongoing Coronavirus pandemic and expenditures will be monitored closely until more economic certainty can be found.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Burke County Finance Director, PO Box 219, Morganton, NC 28680. The report can also be found on our website www.burkenc.org under the Finance Department.

BASIC FINANCIAL STATEMENTS

Burke County, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Burke County Tourism Development Authority
ASSETS				
Cash and cash equivalents	\$ 15,102,688	\$ 338,922	\$ 15,441,610	\$ 381,961
Cash held by fiscal agents	2,695	-	2,695	-
Investments	52,567,201	1,550,524	54,117,725	-
Restricted cash and cash equivalents	367,707	115,021	482,728	95,496
Receivables (net)	2,337,204	493,529	2,830,733	-
Loan receivable	435,862	-	435,862	-
Due from other governments	8,108,110	75,032	8,183,142	75,332
Net pension asset - ROD	145,864	-	145,864	-
Capital assets:				
Land, intangible, and construction in progress	2,947,307	1,630,438	4,577,745	-
Other capital assets, net of depreciation	53,302,758	18,105,881	71,408,639	35,173
Total capital assets	56,250,065	19,736,319	75,986,384	35,173
Total assets	135,317,396	22,309,347	157,626,743	587,962
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding debt	1,420,405	-	1,420,405	-
Pension deferrals	12,049,849	363,659	12,413,508	37,349
Total deferred outflows of resources	13,470,254	363,659	13,833,913	37,349
LIABILITIES				
Accounts payable and accrued expenses	5,702,330	598,572	6,300,902	12,374
American Rescue Plan Act funds paid in advance	8,787,825	-	8,787,825	-
Accrued interest payable	464,675	-	464,675	-
Liabilities payable from restricted assets	2,390	-	2,390	-
Due to other governments	81,296	-	81,296	93,996
Unamortized liability on debt premiums	3,265,653	-	3,265,653	-
Net pension liability - LGERS	12,732,408	454,964	13,187,372	57,890
Net pension liability - LEOSSA	3,235,862	-	3,235,862	-
Net pension liability - OPEB	20,753,016	741,562	21,494,578	-
Landfill closure and post closure costs	-	5,333,851	5,333,851	-
Long-term liabilities:				
Due within one year	5,995,000	68,772	6,063,772	-
Due in more than one year	46,840,984	1,178,750	48,019,734	26,100
Total liabilities	107,861,439	8,376,471	116,237,910	190,360
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	1,037,325	34,780	1,072,105	3,159
Prepaid taxes	58,076	-	58,076	-
Total deferred inflows of resources	1,095,401	34,780	1,130,181	3,159
NET POSITION				
Net investment in capital assets	37,852,760	18,551,001	56,403,761	35,173
Restricted for:				
Stabilization by State Statute	5,397,494	-	5,397,494	75,332
Register of Deeds' pension plan	145,864	-	145,864	-
Public safety	1,427,216	-	1,427,216	-
Register of Deeds Automation/Enhancement	24,449	-	24,449	-
Human Services	429,975	-	429,975	-
Education	22,472,781	-	22,472,781	-
Environmental Protection	19,882	-	19,882	-
Economic and Physical Development	872,496	-	872,496	-
Tourism promotion	-	-	-	321,287
Unrestricted (deficit)	(28,812,107)	(4,289,246)	(33,101,353)	-
Total net position	\$ 39,830,810	\$ 14,261,755	\$ 54,092,565	\$ 431,792

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

Burke County, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Exhibit B

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position			Burke County Tourism Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 10,623,348	\$ 420,588	\$ 981,367	\$ -	\$ (9,221,393)	\$ -	\$ (9,221,393)	\$
Public safety	32,233,510	4,184,649	2,309,188	-	(25,739,673)	-	(25,739,673)	
Transportation	70,850	-	-	-	(70,850)	-	(70,850)	
Economic and physical development	3,234,480	233,691	1,368,657	-	(1,632,132)	-	(1,632,132)	
Environmental protection	596,951	-	57,755	-	(539,196)	-	(539,196)	
Human services	26,246,546	883,697	17,108,345	-	(8,254,504)	-	(8,254,504)	
Cultural and recreational	1,874,753	57,116	238,772	-	(1,578,865)	-	(1,578,865)	
Education	22,462,944	-	477,981	40,922	(21,944,041)	-	(21,944,041)	
Interest on long-term debt	1,975,289	-	-	-	(1,975,289)	-	(1,975,289)	
Total governmental activities	99,318,671	5,779,741	22,542,065	40,922	(70,955,943)	-	(70,955,943)	
Business-type activities:								
Water/Sewer	2,874,649	1,723,440	-	765,827	-	(385,382)	(385,382)	
Solid waste	5,603,518	5,128,067	189,606	-	-	(285,845)	(285,845)	
Total business-type activities	8,478,167	6,851,507	189,606	765,827	-	(671,227)	(671,227)	
Total primary government	\$ 107,796,838	\$ 12,631,248	\$ 22,731,671	\$ 806,749	\$ (70,955,943)	\$ (671,227)	\$ (71,627,170)	
Component unit:								
Burke County Tourism Development Authority	\$ 557,424	\$ 11,433	\$ 59,650	\$ -				(486,341)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					56,036,350	-	56,036,350	-
Local option sales tax					19,481,973	-	19,481,973	
Other taxes and licenses					1,659,367	-	1,659,367	598,333
Grants and contributions not restricted to specific programs					2,976,500	-	2,976,500	-
Investment earnings, unrestricted					123,774	6,135	129,909	46
Gain/ (Loss) on disposal of fixed assets					(273,111)	(124,717)	(397,828)	-
Miscellaneous, unrestricted					263,087	9,732	272,819	461
Transfers in/(out)					257,315	(257,315)	-	-
Total general revenues, special items, and transfers					80,525,255	(366,165)	80,159,090	598,840
Change in net position					9,569,312	(1,037,392)	8,531,920	112,499
Net position, beginning as originally stated					30,142,857	15,299,147	45,442,004	319,293
Prior year adjustment					118,641	-	118,641	-
Net position, beginning restated					30,261,498	15,299,147	45,560,645	-
Net position, ending					\$ 39,830,810	\$ 14,261,755	\$ 54,092,565	\$ 431,792

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

Burke County, North Carolina
 Governmental Funds
 Balance Sheet
 June 30, 2021

	General Fund	School One cent Sales Tax Fund	Grant and Capital Project Fund	American Rescue Plan Grant Project Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,074,264	\$ 3,470,426	\$ -	\$ 1,987,768	\$ 1,570,230	\$ 15,102,688
Cash held by fiscal agents	-	-	-	-	2,695	2,695
Investments	29,023,855	11,874,807	-	6,801,575	4,866,964	52,567,201
Restricted cash and cash equivalents	367,707	-	-	-	-	367,707
Taxes receivable, net	895,340	-	-	-	176,079	1,071,419
Due from other governments	3,327,613	2,502,132	252,578	-	2,025,787	8,108,110
Due from other funds	214,173	-	-	-	-	214,173
Loan receivable	435,862	-	-	-	-	435,862
Accounts receivable, net	1,076,384	-	-	-	70,407	1,146,791
Total assets	<u>\$ 43,415,198</u>	<u>\$ 17,847,365</u>	<u>\$ 252,578</u>	<u>\$ 8,789,343</u>	<u>\$ 8,712,162</u>	<u>\$ 79,016,646</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 5,509,845	\$ -	\$ 38,405	\$ -	\$ 154,080	\$ 5,702,330
American Rescue Plan Act funds paid in advance	-	-	-	8,787,825	-	8,787,825
Due to other governments	75,332	-	-	-	5,964	81,296
Due to other funds	-	-	214,173	-	-	214,173
Liabilities to be paid from restricted assets	2,390	-	-	-	-	2,390
Total liabilities	<u>5,587,567</u>	<u>-</u>	<u>252,578</u>	<u>8,787,825</u>	<u>160,044</u>	<u>14,788,014</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes receivable	895,340	-	-	-	176,079	1,071,419
EMS receivable, net	709,851	-	-	-	-	709,851
Prepaid taxes	58,076	-	-	-	-	58,076
Total deferred inflows of resources	<u>1,663,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,079</u>	<u>1,839,346</u>
FUND BALANCES						
Restricted for:						
Stabilization for State Statute	5,397,494	-	-	-	-	5,397,494
Public safety	609	-	-	-	1,426,607	1,427,216
Register of Deeds Automation/Enhancement	24,449	-	-	-	-	24,449
Human Services	322,767	-	-	-	107,208	429,975
Education	-	17,847,365	-	-	4,625,416	22,472,781
Environmental Protection	19,882	-	-	-	-	19,882
Economic and Physical Development	-	-	-	-	872,496	872,496
Committed for:						
Capital projects	5,000	-	-	-	1,344,312	1,349,312
Assigned for:						
Subsequent year's budget	2,014,370	-	-	-	-	2,014,370
Unassigned	28,379,793	-	-	1,518	-	28,381,311
Total fund balances	<u>36,164,364</u>	<u>17,847,365</u>	<u>-</u>	<u>1,518</u>	<u>8,376,039</u>	<u>62,389,286</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,415,198</u>	<u>\$ 17,847,365</u>	<u>\$ 252,578</u>	<u>\$ 8,789,343</u>	<u>\$ 8,712,162</u>	<u>\$ 79,016,646</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:

Total Fund Balance, Governmental Funds	62,389,286
Net pension asset - ROD	145,864
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	56,250,065
Due to and from other governmental funds are not reported on the Statement of Net Position.	214,173
Other long-term assets are not available to pay for current period expenditures and are unavailable in the funds.	(95,179)
Deferred inflows of resources for taxes and EMS receivables	1,781,270
Pension related deferrals-all plans	11,012,524
Some liabilities, including net pension liabilities, debt related payables and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	(91,867,193)
Net position of governmental activities	<u>\$ 39,830,810</u>

Burke County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds					
	General Fund	School One cent Sales Tax Fund	Grant and Project Fund	American Rescue Plan Grant Project Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Ad valorem taxes	\$ 51,768,457	\$ -	\$ -	\$ -	\$ 4,530,830	\$ 56,299,287
Other taxes and licenses	10,794,939	6,963,999	-	-	3,382,402	21,141,340
Unrestricted intergovernmental	2,976,500	-	-	-	-	2,976,500
Restricted intergovernmental	13,737,370	-	4,141,765	-	2,389,530	20,268,665
Permits and fees	2,308,930	-	-	-	404,078	2,713,008
Sales and services	4,542,140	-	-	-	-	4,542,140
Investment earnings	123,774	31,569	2,441	1,518	18,556	177,858
Donations	14,400	-	-	-	220,500	234,900
Miscellaneous	429,358	-	-	-	-	429,358
Total revenues	<u>86,695,868</u>	<u>6,995,568</u>	<u>4,144,206</u>	<u>1,518</u>	<u>10,945,896</u>	<u>108,783,056</u>
EXPENDITURES						
Current:						
General government	9,077,599	-	-	-	62,861	9,140,460
Public safety	22,772,304	-	152,762	-	5,143,857	28,068,923
Transportation	70,850	-	-	-	-	70,850
Economic and physical development	1,700,137	-	-	-	1,530,875	3,231,012
Environmental protection	555,613	-	-	-	-	555,613
Human services	20,491,861	-	3,996,394	-	294,806	24,783,061
Cultural and recreational	2,106,389	-	-	-	189,873	2,296,262
Education	18,729,940	-	-	-	3,733,004	22,462,944
Debt service:						
Principal	6,080,000	-	-	-	-	6,080,000
Interest	1,999,465	-	-	-	-	1,999,465
Total expenditures	<u>83,584,158</u>	<u>-</u>	<u>4,149,156</u>	<u>-</u>	<u>10,955,276</u>	<u>98,688,590</u>
Excess (deficiency) of revenues over expenditures	<u>3,111,710</u>	<u>6,995,568</u>	<u>(4,950)</u>	<u>1,518</u>	<u>(9,380)</u>	<u>10,094,466</u>
OTHER FINANCING SOURCES (USES)						
Gain/(loss) on disposal of assets	1,776,206	-	-	-	-	1,776,206
Transfers from other funds	7,147,903	2,339,794	-	-	263,500	9,751,197
Transfers to other funds	(2,622,094)	(5,896,906)	-	-	(974,882)	(9,493,882)
Total other financing sources and uses	<u>6,302,015</u>	<u>(3,557,112)</u>	<u>-</u>	<u>-</u>	<u>(711,382)</u>	<u>2,033,521</u>
Net change in fund balance	9,413,725	3,438,456	(4,950)	1,518	(720,762)	12,127,987
Fund balances, beginning of year	26,775,132	14,408,909	4,950	-	8,953,667	50,142,658
Fund balances, beginning of year, restated	26,750,639	14,408,909	4,950	-	9,096,801	50,261,299
Fund balances, end of year	<u>\$ 36,164,364</u>	<u>\$ 17,847,365</u>	<u>\$ -</u>	<u>\$ 1,518</u>	<u>\$ 8,376,039</u>	<u>\$ 62,389,286</u>

Burke County, North Carolina
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds	\$	12,127,987
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 1,991,555		
Net sale of assets not fully depreciated	(273,111)		
Depreciation expense for governmental assets	<u>(4,898,006)</u>		(3,179,562)

Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.

2,844,604

Contributions to the OPEB in the current fiscal year are not included on the Statement of Activities.

603,003

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

Change in unavailable revenue for tax and EMS revenues	<u>(383,150)</u>		(383,150)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense-LGERS, LEOSA, OPEB and ROD	(8,804,236)		
Compensated absences increase	256,490		
Deferred charges on refunding of debt	(240,191)		
Amortization of bond premiums	<u>211,485</u>		
Combined adjustment			(8,576,452)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long term debt	6,080,000		
Decrease in accrued interest payable	<u>52,882</u>		
			<u>6,132,882</u>

Total changes in net position of governmental activities	\$	<u><u>9,569,312</u></u>
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Burke County, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund and School One Cent Sales Tax Fund
 For the Year Ended June 30, 2021

General Fund				
	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 49,310,000	\$ 49,310,000	\$ 51,768,457	\$ 2,458,457
Other taxes and licenses	8,514,010	9,393,010	10,794,939	1,401,929
Unrestricted intergovernmental	3,151,480	3,151,480	2,976,500	(174,980)
Restricted intergovernmental	13,926,690	16,023,322	13,737,370	(2,285,952)
Permits and fees	1,876,980	1,876,980	2,308,930	431,950
Sales and services	4,143,300	4,148,700	4,542,140	393,440
Investment earnings	475,000	475,000	123,774	(351,226)
Donations	-	1,335	14,400	13,065
Miscellaneous	365,075	415,888	429,358	13,470
Total revenues	<u>81,762,535</u>	<u>84,795,715</u>	<u>86,695,868</u>	<u>1,900,153</u>
Expenditures:				
General government	10,507,965	11,853,944	9,077,599	2,776,345
Public safety	23,927,635	24,607,393	22,772,304	1,835,089
Transportation	70,850	70,850	70,850	-
Economic and Physical Development	1,725,395	3,556,659	1,700,137	1,856,522
Environmental Protection	546,450	559,350	555,613	3,737
Human Services	21,818,225	22,210,497	20,491,861	1,718,636
Cultural and Recreation	2,359,790	2,212,590	2,106,389	106,201
Education	18,676,815	18,729,940	18,729,940	-
Debt service:				
Principal retirement	6,080,000	6,080,000	6,080,000	-
Interest and other charges	1,999,465	1,999,465	1,999,465	-
Total expenditures	<u>87,712,590</u>	<u>91,880,688</u>	<u>83,584,158</u>	<u>8,296,530</u>
Revenues over (under) expenditures	<u>(5,950,055)</u>	<u>(7,084,973)</u>	<u>3,111,710</u>	<u>10,196,683</u>
Other financing sources (uses):				
Gain/(loss) on disposal of assets	90,000	90,000	1,776,206	1,686,206
Transfers from other funds	6,456,595	6,456,595	7,147,903	691,308
Transfers to other funds	(2,413,500)	(2,622,300)	(2,622,094)	206
Fund balance appropriated	1,816,960	3,160,678	-	(3,160,678)
Total other financing sources (uses)	<u>5,950,055</u>	<u>7,084,973</u>	<u>6,302,015</u>	<u>(782,958)</u>
Net change in fund balance	-	-	9,413,725	9,413,725
Fund balance, beginning of year, as originally reported			26,775,132	
Prior period adjustment			(24,493)	
Fund balance, beginning of year, restated			<u>26,750,639</u>	
Fund balance, end of year			<u>\$ 36,164,364</u>	

Burke County, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund and School One Cent Sales Tax Fund
 For the Year Ended June 30, 2021

	School One Cent Sales Tax Fund			
	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	5,200,000	5,200,000	6,963,999	1,763,999
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	860,000	860,000	-	(860,000)
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	31,569	31,569
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>6,060,000</u>	<u>6,060,000</u>	<u>6,995,568</u>	<u>935,568</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic and Physical Development	-	-	-	-
Environmental Protection	-	-	-	-
Human Services	-	-	-	-
Cultural and Recreation	-	-	-	-
Education	1,938,150	1,938,150	-	1,938,150
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>1,938,150</u>	<u>1,938,150</u>	<u>-</u>	<u>1,938,150</u>
Revenues over (under) expenditures	<u>4,121,850</u>	<u>4,121,850</u>	<u>6,995,568</u>	<u>2,873,718</u>
Other financing sources (uses):				
Transfers from other funds	2,150,000	2,150,000	2,339,794	189,794
Transfers to other funds	(6,271,850)	(6,271,850)	(5,896,906)	374,944
Total other financing sources (uses)	<u>(4,121,850)</u>	<u>(4,121,850)</u>	<u>(3,557,112)</u>	<u>564,738</u>
Net change in fund balance	-	-	3,438,456	3,438,456
Fund balance, beginning of year			<u>14,408,909</u>	
Fund balance, end of year			<u>\$ 17,847,365</u>	

Burke County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2021

	Water/Sewer Fund	Solid Waste Fund	Proprietary Funds Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 47,201	\$ 291,721	\$ 338,922
Investments	553,708	996,816	1,550,524
Restricted cash	115,021	-	115,021
Receivables, net	13,270	480,259	493,529
Due from other governments	24,311	50,721	75,032
Total current assets	<u>753,511</u>	<u>1,819,517</u>	<u>2,573,028</u>
Non-current assets:			
Capital assets:			
Land and construction in progress	378,756	1,251,682	1,630,438
Other capital assets, net of depreciation	15,190,693	2,915,188	18,105,881
Subtotal capital assets	<u>15,569,449</u>	<u>4,166,870</u>	<u>19,736,319</u>
Total non-current assets	<u>15,569,449</u>	<u>4,166,870</u>	<u>19,736,319</u>
Total assets	<u>16,322,960</u>	<u>5,986,387</u>	<u>22,309,347</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	100,138	263,521	363,659
Total deferred outflows of resources	<u>100,138</u>	<u>263,521</u>	<u>363,659</u>
LIABILITIES			
Current liabilities:			
Accounts payable	80,363	349,870	430,233
Accrued salaries	9,963	43,355	53,318
Customer deposits	115,021	-	115,021
Loans payable, current portion	68,772	-	68,772
Total current liabilities	<u>274,119</u>	<u>393,225</u>	<u>667,344</u>
Non-current liabilities:			
Net pension liability	125,280	329,684	454,964
Other post employment benefits liability	204,198	537,364	741,562
Landfill closure and post closure costs	-	5,333,851	5,333,851
Accrued compensated absences	8,084	54,120	62,204
Loans payable	1,116,546	-	1,116,546
Total non-current liabilities	<u>1,454,108</u>	<u>6,255,019</u>	<u>7,709,127</u>
Total liabilities	<u>1,728,227</u>	<u>6,648,244</u>	<u>8,376,471</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	9,557	25,223	34,780
Total deferred inflows of resources	<u>9,557</u>	<u>25,223</u>	<u>34,780</u>
NET POSITION			
Net investment in capital assets	14,384,131	4,166,870	18,551,001
Unrestricted	301,183	(4,590,429)	(4,289,246)
Total net position	<u>\$ 14,685,314</u>	<u>\$ (423,559)</u>	<u>\$ 14,261,755</u>

Burke County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Water/Sewer Fund</u>	<u>Water/Sewer Capital Fund</u>	<u>Solid Waste Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES:				
Charges for services	\$ 1,723,440	\$ -	\$ 5,128,067	\$ 6,851,507
Total operating revenues	<u>1,723,440</u>	<u>-</u>	<u>5,128,067</u>	<u>\$6,851,507</u>
OPERATING EXPENSES:				
Water/sewer operations	1,789,800	247,685	-	2,037,485
Solid waste disposal operations	-	-	4,577,417	4,577,417
Solid waste collection operations	-	-	663,412	663,412
Depreciation	<u>837,164</u>	<u>-</u>	<u>362,689</u>	<u>1,199,853</u>
Total operating expenses	<u>2,626,964</u>	<u>247,685</u>	<u>5,603,518</u>	<u>8,478,167</u>
Operating income (loss)	<u>(903,524)</u>	<u>(247,685)</u>	<u>(475,451)</u>	<u>(\$1,626,660)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest and investment revenue	1,544	193	4,398	6,135
Contributed capital	518,142	-	-	518,142
Miscellaneous revenues	9,288	-	444	9,732
Gain/(loss) on disposal of assets	(124,717)	-	-	(124,717)
Restricted intergovernmental revenues	<u>-</u>	<u>247,685</u>	<u>189,606</u>	<u>437,291</u>
Total nonoperating revenues (expenses)	<u>404,257</u>	<u>247,878</u>	<u>194,448</u>	<u>846,583</u>
Income (loss) before transfers	(499,267)	193	(281,003)	(780,077)
Transfers from/(to) other funds	(116,517)	(159,598)	18,800	(257,315)
Change in net position	(615,784)	(159,405)	(262,203)	(1,037,392)
Total net position, beginning	15,301,098	159,405	(161,356)	15,299,147
Total net position, ending	<u>\$ 14,685,314</u>	<u>\$ -</u>	<u>\$ (423,559)</u>	<u>\$ 14,261,755</u>

Burke County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Water/Sewer Fund	Water/Sewer Capital Fund	Solid Waste Fund	Total Proprietary Funds
Cash flows from operating activities:				
Cash received from customers	\$ 1,752,903	\$ -	\$ 5,123,347	\$ 6,876,250
Cash paid for goods and services	(1,497,561)	(133,423)	(1,028,435)	(2,659,419)
Cash paid to employees for services	(258,692)	-	(3,933,645)	(4,192,337)
Net cash provided by operating activities	<u>(3,350)</u>	<u>(133,423)</u>	<u>161,267</u>	<u>24,494</u>
Cash flows from noncapital financing activities:				
Restricted intergovernmental revenues	-	247,685	189,606	437,291
Miscellaneous revenues	9,288	-	443	9,731
Transfer in/(out)	(116,517)	(159,598)	18,800	(257,315)
Net cash provided by noncapital financing activities	<u>(107,229)</u>	<u>88,087</u>	<u>208,849</u>	<u>189,707</u>
Cash flows from capital and related financing activities:				
Proceeds received from sale of fixed assets	-	-	-	-
Principal and interest paid on debt	(68,772)	-	-	(68,772)
Acquisition and construction of capital assets	(7,759)	-	(189,757)	(197,516)
Net cash used by capital and related financing activities	<u>(76,531)</u>	<u>-</u>	<u>(189,757)</u>	<u>(266,288)</u>
Cash flows from investing activities:				
Interest on investments	1,544	193	4,398	6,135
Net cash provided by investing activities	<u>1,544</u>	<u>193</u>	<u>4,398</u>	<u>6,135</u>
Net increase (decrease) in cash and cash equivalents	(185,566)	(45,143)	184,757	(45,952)
Cash and cash equivalents/investments, July 1	901,496	45,143	1,103,780	2,050,419
Cash and cash equivalents/investments, June 30	<u>\$ 715,930</u>	<u>\$ -</u>	<u>\$ 1,288,537</u>	<u>\$ 2,004,467</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	<u>\$ (903,524)</u>	<u>\$ (247,685)</u>	<u>\$ (475,451)</u>	<u>\$ (1,626,660)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	837,164	-	362,689	1,199,853
Increase in landfill closure and post-closure costs	-	-	63,247	63,247
Changes in assets, liabilities, deferred outflows and inflows of resources:				
(Increase)/decrease in deferred outflow of resources-pensions/OPEB	(43,160)	-	(84,942)	(128,102)
Increase in net pension liability	47,597	-	86,213	133,810
Increase/(decrease) in net OPEB liability	52,377	-	61,536	113,913
Increase/(decrease) in deferred inflow of resources-pensions/OPEB	1,665	-	490	2,155
(Increase)/decrease in accounts receivable	24,875	391,112	(4,720)	411,267
Increase/(decrease) in customer deposits	4,588	-	-	4,588
Increase/(decrease) in payables and accrued liabilities	(26,611)	(276,850)	139,595	(163,866)
Increase/(decrease) in accrued compensated absences	1,679	-	12,610	14,289
Total adjustments	<u>900,174</u>	<u>114,262</u>	<u>636,718</u>	<u>1,651,154</u>
Net cash provided by operating activities	<u>\$ (3,350)</u>	<u>\$ (133,423)</u>	<u>\$ 161,267</u>	<u>\$ 24,494</u>

Burke County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 16,284
Taxes receivable for other governments, net	<u>162,886</u>
Total assets	<u><u>179,170</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	-
Due to other governments	<u>166,624</u>
Total liabilities	<u><u>166,624</u></u>
NET POSITION	
Restricted for:	
Individuals and other governments	<u>12,546</u>
Total fiduciary net position	<u><u>\$ 12,546</u></u>

Burke County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2021

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 2,494,426
Collections on behalf of inmates	250,558
Total additions	<u>2,744,984</u>
DEDUCTIONS	
Tax distributions to other governments	\$ 2,626,987
Payments on behalf of inmates	252,761
Total deductions	<u>2,879,748</u>
Net increase (decrease) in fiduciary net position	(134,764)
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	147,310
Net position, beginning, as restated	<u>147,310</u>
Net position, ending	<u><u>\$ 12,546</u></u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies:

The accounting policies of Burke County and its 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 County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Burke County Industrial Facility and Pollution Control Financing Authority

Burke County Industrial Facility and Pollution Control Financing Authority operates within Burke County's boundaries to issue and service revenue bond debt of private businesses for economic development purposes. The Burke County's Board of Commissioners appoints the seven voting members of the Authority. The Authority has no financial transactions or account balances.

Burke County Tourism Development Authority

The North Carolina General Legislation enacted a law which authorized Burke County to levy a room occupancy tax; and the Burke County Commissioners adopted a resolution levying this tax and created the Burke County Tourism Development Authority (Authority). The Authority operates within Burke County's boundaries for the promotion and development of tourism, and the County provides room occupancy tax proceeds as their main source of revenue to the Authority, but the County is not responsible for the debts and is not entitled to the surpluses of the Authority. The Burke County's Board of Commissioners appoints the nine voting members of the Authority. The Burke County Tourism Development Authority has a June 30 year end and is presented as if it is a governmental fund. Complete financial statements may be obtained from the entity's administrative offices at Burke County Tourism Development Authority, 110 East Meeting St., Morganton, NC 28655.

B. Basis of Presentation – Basis of Accounting:

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the County) 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 double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the County. 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 County and for each function of the County'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 and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County'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

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Grants and Special Projects Fund – This is a special revenue fund. It accounts for the County's major substance abuse grants and CARES Act COVID-19 funds.

ARP Grant Project Fund – This is a special revenue fund to track the grant project ordinance for American Rescue Plan Act funds.

School One Cent Sales Tax Fund – This fund is used to account for sales tax and other revenue that is designated to assist with payments relating to school capital and debt.

The County reports the following major enterprise funds:

Water and Sewer Fund – This fund is used to account for the water and sewer operations of the County.

Water and Sewer Capital Fund – This fund is used to account for the water and sewer capital projects.

Solid Waste Fund – This fund accounts for the operation, maintenance, and development of the County's transfer station, landfill and disposal sites.

The County reports the following other fund types:

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following two custodial funds: the Municipal Tax Fund, which accounts for property taxes that are collected by the County for various municipalities within the County but are not revenues to the County and the Inmate Commissary Fund, which accounts for monies deposited with the County's Jail for the benefit of certain individuals.

Non-major Funds – The County maintains six legally budgeted special revenue funds. The Law Enforcement Restricted Fund, Emergency Telephone System Fund, Fire Districts Fund, and Grants and Capital Projects Fund, DSS Representative Payees, and Deed of Trust Fund are reported as nonmajor, special revenue funds. The Capital Projects Fund and the School One-Half Cent Sales Tax Fund are reported as nonmajor capital projects funds.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County 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, except for the custodial funds which have no measurement focus. The government-wide, proprietary fund 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 County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from provided services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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 that 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 County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. 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 been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the School Sales Tax Funds, all Special Revenue Funds, and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager has authority, to transfer funds from one appropriation to another per the following guidelines (1) Amendments to receive and expend State, Federal and other non-tax revenues so long as the action does not commit additional local tax dollars, create additional positions or initiate a new County function, (2) Adjustments to pass through actual Fire Tax revenues received to respective Fire Departments, (3) Permit transfer of funds within and between departments so long as the action does not commit additional local tax dollars, create additional positions or initiate a new County function, (4) For construction projects, to negotiate and process change orders up to \$25,000, so long as such

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

change orders do not alter scope or definition of the project, or exceed budgeted funds, (5) Capital purchases, service, or maintenance efforts approved within current budget, so long as the purchase or contract is secured in a manner according to State and Federal procurement regulation. The exception to this shall be those procurements in which Board action is mandated by a State or Federal requirement. During the year, several immaterial amendments to the original budget were necessary.

The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30 (c)] authorizes the County and the Authority to invest in obligations of the United States of obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value as determined by quoted market prices. The North Carolina Capital Management Trust (NCCMT), which consists of a SEC-registered fund, is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County 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 Authority considers all cash and investments to be cash and cash equivalents.

3. Restricted Cash

Money for the Register of Deeds Automation Enhancement Fund is restricted by NC General Statute 161-50 to pay for automation, preservation and technology needs for the Register of Deeds' office. Federal regulations require equitable sharing funds be used for approved law enforcement needs. Unexpended funds received on behalf of the Health Department for CC4C and OBCM are restricted per their State Agreement. Unexpended funds received on behalf of the DSS for adoption promotion are restricted to be used only for authorized purposes per their State Agreement. Unexpended funds received for Cooperative Extension are restricted for programming.

Burke County Restricted Cash

Governmental Activities:

General Fund:		
Health Dept.	CC4C & OBCM	\$ 53,288
Law Enforcement	Law Enforcement	609
DSS	Adopt Promotion	269,479
Register of Deeds	Automation/Enhancements	24,449
Environmental Protection	Unexpended program funds	19,882
Total Governmental Activities		<u>\$367,707</u>

Business-type Activities:

Water and Sewer Fund	Customer deposits	<u>\$115,021</u>
Total Business-type Activities		<u>\$115,021</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

4. Ad Valorem Taxes Receivable

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date.

5. Allowances for Doubtful Accounts

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

6. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received on or about July 1, 2015, are recorded at their acquisition value. Minimum capitalization is \$5,000 for all governmental fund assets. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	Years
Buildings	15-30
Plant and distribution systems	40-50
Improvements	15-30
Furniture and equipment	7
Vehicles	5-15
Office Equipment	5-7

Capital assets of the Authority are depreciated on a straight-line basis over the following estimated useful lives:

	Years
Improvements	25
Vehicles	5-7
Furniture and equipment	10
Computer equipment	3

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has the following items that meet this criterion – pension related deferral and a charge on debt refunding. In addition to liabilities, the statement of financial position can also 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 County has the following items that meet the criterion for this category – prepaid taxes, taxes receivable, EMS fees receivable and pension related deferrals.

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statements

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

9. Compensated Absences

The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement with the County may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is taken, no accruals for sick leave have been made by the County or the Authorities.

10. Net Positions/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Restricted Fund Balance – This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law. The County has the following restricted items:

Restricted for Stabilization by State Statute – portion of fund balance restricted under State Statute [G.S. 159-8(a)]. This statute prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several Statutes enacted by the NC 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 GS 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 Register of Deeds – portion of fund balance restricted by revenue source for automation and technology enhancements in the Register of Deeds' office [G.S. 161-11.3].

Restricted for Department of Social Services – portion of fund balance available for appropriation for expenditures related to adoption promotion.

Restricted for Health Department – portion of fund balance available for appropriation for expenditures related to CC4C and OBMC programs.

Restricted for Register of Deeds Pension Plan – portion of fund balance for non-cash asset for pension plan.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Restricted for Education – portion of fund balance available for appropriation for expenditures related to debt service and other capital needs for the Burke County Public Schools.

Restricted for Environmental Protection – portion of fund balance available for appropriation for expenditures related to Cooperative Extension programs.

Restricted for Public Safety – portion of fund balance representing the aggregate of net positions for three special revenue funds and the Lifesaver Program reserves: The Emergency Telephone System Fund, and Fire Tax Fund and Law Enforcement Restricted Fund.

Committed Fund Balance – portion of fund balance which can only be used for a specific purpose by a majority vote of Burke County's governing board (highest body of decision-making authority). Any change or removal of specific purpose requires majority action by the governing board.

Committed for Capital Projects – portion of fund balance available for appropriation for expenditures related to specific capital projects.

Assigned Fund Balance – portion of fund balance that the governing board decides to use for a specific purpose.

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

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

Burke County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For the 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 County.

11. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For the purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 -

Stewardship, Compliance, and Accountability:

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

No material violations were noted.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

Note 3 -

Detail Notes on All Funds:

A. Assets

1. Deposits

All the County's and the Authority's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Authority'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 County and the Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the Authority. Because of the inability to measure the exact amount of collateral pledged for the County or the Authority, 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the Authority rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the Authority have no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$15,938,418 and a bank balance of \$16,784,678. Of the bank balance, \$752,695 was covered by federal depository insurance, and \$1,180,087 in non-interest-bearing deposits and \$14,851,896 in interest bearing deposits were covered by collateral held under the Pooling Method. At June 30, 2021, Burke County had \$4,900 cash on hand.

At June 30, 2021, the Authority's deposits had a carrying amount of \$477,457 and a bank balance of \$529,895. Of the balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The Authority had no cash on hand.

2. Investments

As of June 30, 2021, the County had the following investments and maturities:

Investments by Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	1-5 Years
Commercial Paper	Fair Value Level 2	\$30,973,033	\$30,973,033	\$ -
Government Agencies	Fair Value Level 2	1,349,352	-	1,349,352
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	21,795,340	21,795,340	-
Total:		<u>\$54,117,725</u>	<u>\$52,768,373</u>	<u>\$1,349,352</u>

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Ratings are from Standard and Poor's scale.

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

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

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

Credit Risk. The County has no formal policy regarding credit risk but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, the County's investments in commercial paper were rated A1 by Standard & Poor's and P1 by Moody's Investors Service. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2021. The County's investments in US Agencies with the United States Treasury are rated Aaa by Moody's Investors Service and AAmf by Moody Investor Services. The County does have an elevated credit risk due to safekeeping held in a third-party arrangement.

3. Property Tax – Use – Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Tax Year Levied	Tax	Interest	Total
2020	\$ 944,118	\$ -	\$ 944,118
2019	944,081	96,768	1,040,849
2018	921,164	177,324	1,098,488
2017	914,374	258,311	1,172,685
Total	<u>\$3,723,737</u>	<u>\$ 532,403</u>	<u>\$4,256,140</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Accounts	Taxes Receivable	Interest Receivable	Other	Total
Governmental Activities:					
General	\$1,884,135	\$1,614,340	\$118,994	\$435,862	\$4,053,331
Other Governmental	70,407	176,079	-	-	246,486
Total receivables	1,954,542	1,790,419	118,994	435,862	4,299,817
Allowance for doubtful accounts	(807,751)	(719,000)	-	-	(1,526,751)
Total-governmental activities	\$1,146,791	\$1,071,419	\$118,994	\$435,862	\$2,773,066
Business-type Activities:					
Water/Sewer	\$ 140,150	\$ -	\$ -		\$ 140,150
Solid Waste	484,545	-	-		484,545
Total receivables	624,695	-	-		624,695
Allowance for doubtful accounts	(131,166)	-	-		(131,166)
Total-business-type activities	493,529	-	-		493,529
Total	\$1,640,320	\$1,071,419	\$118,944	\$435,862	\$3,266,595

The due from other governments that is owed to the County consists of the following:

NC DOR	\$6,138,945
NC DOT	727,500
NC DHHS	39,353
NC BOE	130,174
NC DPS	63,160
NC DEQ	1,120,590
NC Dept of Commerce	697,878
NC DNCR	75,205
NC ITS-Emergency Telephone System	55,714
US DOJ	33,531
WP COG	103,592
City of Morganton ABC	31,400
Town of Valdese ABC	428
McDowell County Clerk of Court	9
Burke County Clerk of Court	41,509
Catawba County Clerk of Court	36
City of Morganton	65,659
Town of Hildebran	19,294
Town of Connelly Springs	22,915
Total	<u>\$8,183,142</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

5. Capital Assets**Primary Government:**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,822,530	\$ 43,640	\$ 219,011	\$ 2,647,159
Construction in progress	1,321,417	343,853	1,365,122	300,148
Total capital assets not being depreciated	4,143,947	387,493	1,390,703	2,947,307
Capital assets being depreciated:				
Buildings	69,494,796	1,484,263	3,282,960	67,696,099
Improvements	7,935,180	1,828,164	1,401,822	8,361,522
Equipment	8,643,611	39,549	5,494,846	3,188,314
Vehicles	9,325,370	1,356,253	4,702	10,676,921
Total capital assets being depreciated	95,398,957	4,708,229	10,184,330	89,922,856
Less accumulated depreciation for:				
Buildings	20,591,333	3,143,284	1,184,926	22,549,691
Improvements	4,896,564	439,441	609,961	4,726,314
Equipment	6,267,455	361,240	4,779,783	1,848,912
Vehicles	6,485,829	1,009,352	-	7,495,181
Total accumulated depreciation	38,241,181	4,953,317	5,664,033	36,620,098
Total capital assets being depreciated, net	57,157,776			53,302,758
Governmental activity capital assets, net	\$ 61,301,723			\$ 56,250,065

During the fiscal year, capital assets for both activities were evaluated and some items reclassified or retired. This process accounts for the changes other than normal increases and decreases during the fiscal year.

Depreciation expense for the current year was charged to functions/programs of the primary government as follows:

General government	\$ 978,060
Public safety	3,192,569
Environmental protection	51,673
Human services	553,537
Cultural and recreational	177,478
Total depreciation expense	<u>\$4,953,317</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

	Beginning Balances	Increases	Decreases	Ending Balances
Business type activities:				
Water and Sewer:				
Capital assets not being depreciated:				
Land	\$ 378,756	\$ -	\$ -	\$ 378,756
Total capital assets not being depreciated	378,756	-	-	378,756
Capital assets being depreciated:				
Buildings	411,551	-	-	411,551
Distribution systems	27,475,090	1,650,893	-	29,125,983
Equipment	1,043,997	-	595,630	448,367
Vehicles	256,395	7,759	26,038	238,116
Total capital assets being depreciated	29,187,033	1,658,652	621,668	30,224,017
Less accumulated depreciation for:				
Buildings	13,735,638	767,065	-	14,502,703
Equipment	725,630	59,593	470,913	314,310
Vehicles	231,844	10,506	26,039	216,311
Total accumulated depreciation	14,693,112	837,164	496,952	15,033,324
Total capital assets being depreciated, net	14,493,921			15,190,693
Water and Sewer capital assets, net	<u>\$14,872,677</u>			<u>\$15,569,449</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste:				
Capital assets not being depreciated:				
Land	\$ 977,903	\$ -	\$ -	\$ 977,903
Construction in progress	254,828	18,951	-	273,779
Total capital assets not being depreciated	1,232,731	18,951	-	1,251,682
Capital assets being depreciated:				
Buildings	782,155	-	-	782,155
Improvements and Infrastructure	4,886,936	-	2,891,685	1,995,251
Equipment	2,633,248	-	572,600	2,060,648
Vehicles	978,983	170,806	-	1,149,789
Total capital assets being depreciated	9,281,322	170,806	3,464,285	5,987,843
Less accumulated depreciation for:				
Buildings	607,641	22,285	-	629,926
Improvements and Infrastructure	3,658,600	96,723	2,891,685	863,638
Equipment	1,269,137	149,283	572,600	845,820
Vehicles	638,873	94,398	-	733,271
Total accumulated depreciation	6,174,251	362,689	3,464,285	3,072,655
Total capital assets being depreciated, net	3,107,071			2,915,188
Solid Waste capital assets, net	<u>\$4,339,802</u>			<u>\$4,166,870</u>

Construction commitments

The County has four active construction projects as of June 30, 2021. At June 30, 2021, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Fonta Flora trails	\$300,148	\$ 769,850
East Burke Container Site	14,305	544,000
Jonas Ridge Container Site	6,651	-
Landfill Gas Extraction System	252,823	-
Total	<u>\$573,927</u>	<u>\$1,313,850</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Capital asset activity for the Authority for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets being depreciated:				
Vehicles	\$ 38,000	\$ -	\$ -	\$ 38,000
Furniture & equipment	14,532	-	1,666	12,866
Website	2,901	-	-	2,901
Total capital assets being depreciated	55,433	-	1,666	53,767
Less accumulated depreciation:				
Vehicles	1,267	3,800	-	5,067
Furniture & equipment	13,579	309	1,666	12,222
Website	725	580	-	1,305
Total capital assets being depreciated	15,571	4,689	1,666	18,594
Capital assets, net	<u>\$ 39,862</u>			<u>\$ 35,173</u>

B. Liabilities:

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors	Salaries / Benefits	Other	Total
Governmental activities:				
General	\$1,216,864	\$4,295,371	\$ 464,675	\$ 5,976,910
Other governmental	192,485	-	8,787,825	8,980,310
Total-governmental activities	1,409,349	4,295,371	9,252,500	14,957,220
Business-type activities:				
Solid Waste	349,870	43,355	-	393,225
Water/Sewer	80,363	9,963	115,021	205,347
Total business-type activities:	<u>\$ 430,233</u>	<u>\$ 53,318</u>	<u>\$ 115,201</u>	<u>\$ 598,572</u>

Due to other governments that is owed by the County consists of the following:

Burke County TDA, occupancy taxes	\$75,332
NC DST, Deed of Trust fees	5,964
	<u>\$81,296</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the County 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.org.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 11.50% of compensation for law enforcement officers and 10.25% for general employees, actuarially determined as an amount that, when combined with employees' contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,694,139 for the year ended June 30, 2021.

Refunds of Contributions. County 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, 2021, the County reported a liability of \$13,187,372 for its proportionate share of the net pension liability. 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, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County'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, 2021, the County's proportion was 0.36904% (measured as of June 30, 2020), which was an increase of 0.02214% from its proportion share as of June 30, 2020 (measured as of June 30, 2019).

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

For the year ended June 30, 2021, the County recognized pension expense of \$4,619,817. At June 30, 2021, the County 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	\$ 1,665,334	\$ -
Changes of assumptions	981,399	-
Net difference between projected and actual earnings on pension plan investments	1,855,770	-
Changes in proportion and differences between County contributions and proportionate share of contributions	372,033	130,610
County contributions subsequent to the measurement date	2,694,139	-
Total	<u>\$ 7,568,675</u>	<u>\$ 130,610</u>

\$2,694,139 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 1,341,232
2023	1,775,021
2024	1,078,459
2025	549,213
2026	-
Thereafter	-
Total	<u>\$ 4,743,925</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.50%
Investment rate of return	7.00% net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2019 valuation were based on the results of an actuarial experience study as of 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 projections are

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100%	

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 3.05%. 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 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension asset calculated using the discount rate of 7.00% , as well as what the 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%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 26,755,739	\$13,187,371	\$1,911,103

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.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description

Burke County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County'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.

Benefits Provided. 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

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. The following table summarizes the membership of the Plan as of December 31, 2019, the valuation date:

Retirees receiving benefits	13
Active plan members	92
Total	<u>105</u>

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

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

Actuarial Assumptions. The entry age actuarial cost method used in the December 31, 2019 valuation. The total pension liability (TPL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25 to 7.75%, including inflation and productivity factor
Discount rate	1.93%

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020.

The actuarial assumptions used in the December 31, 2019 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, 2019.

All mortality rates use Pub 2010 amount weighted tables. Mortality projections are projected from 2010 using generational improvement with Scale MP-2019.

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

Deaths before retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths after retirement (Beneficiary): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward three years. Rates for female members are Set Forward one year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages below 45.

Deaths after retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back three years for all ages.

Death prior to retirement: Mortality rates are based on the Safety Mortality Tables for employees.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Allowance are financed through investment earnings. The County paid \$144,300 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LEOSA Pension Plan

At June 30, 2021, the County reported a total pension liability of \$3,235,862. The total pension liability was measured as of December 31, 2020 based on December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$400,565.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 237,684	\$ 2,034
Changes of assumptions	810,599	45,708
County contributions subsequent to the measurement date	144,300	-
Total	<u>\$ 1,192,583</u>	<u>\$ 47,742</u>

The County paid \$144,300 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions as deferred outflows of resources related to pensions, which will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 215,719
2023	221,149
2024	198,614
2025	202,777
2026	162,282
Thereafter	-

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (0.93%) or one percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
County's proportionate share of The net pension liability (asset)	\$3,513,612	\$3,235,862	\$2,982,189

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

Beginning balance	\$2,214,344
Service cost	114,110
Interest on the total pension liability	69,836
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of total pension liability	111,339
Changes of assumptions or other inputs	870,533
Benefit payments	(144,300)
Other changes	-
Ending balance of the total pension liability	<u>\$3,235,862</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at December 31, 2019 to 1.93% at December 31, 2020.

Changes in Benefit Terms: There are no changes in benefit terms since the prior Measurement Date.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2019.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County 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 County. 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 County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

Contributions for the year ended June 30, 2021 were \$223,862, which consisted of \$223,862 from the County and \$0 from the law enforcement officers. No amounts were forfeited.

d. Supplemental Retirement Income Plans for General Employees

The County also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Employees other than law enforcement have the choice of participating in a 401(k) plan or a 457 deferred compensation plan. The County contributes up to 2 percent matching funds to the plan of their choice. Employees may make elective deferrals to each plan. Contributions for the year ended June 30, 2021 to these plans were \$766,647, which consisted of \$206,870 from the County and \$559,777 from employees. No amounts were forfeited.

e. Register of Deeds' Supplemental Pension Fund

Plan Description. Burke County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 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 Registers of Deeds' Supplemental Pension Fund 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 the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 28699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,165 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$145,864 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 0.63646%, which was a decrease of 0.21766% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$17,804. At June 30, 2021, the County 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	\$ -	\$ 2,972
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	12,481
Changes in proportion and differences between County contributions and proportionate share of contributions	70,924	-
County contributions subsequent to the measurement date	6,165	-
Total	\$ <u>77,089</u>	\$ <u>15,453</u>

\$6,165 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 33,293
2023	30,955
2024	(5,633)
2025	(3,144)
2026	-
Thereafter	-
Total	\$ <u>55,471</u>

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2019 valuation were based on the results of an actuarial experience study as of 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. 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 adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. 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 County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$(123,893)	\$(145,864)	\$(164,455)

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.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

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

The net pension liability for LGERS and ROD was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2019.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	TOTAL
Proportionate Share of Net Pension Liability (Asset)	\$13,187,372	\$ (145,864)	-	\$13,041,508
Proportion of the Net Pension Liability (Asset)	.36904%	.63646%	-	-
Total Pension Liability			\$3,235,862	\$ 3,235,862
Pension Expense	\$ 4,604,543	\$ 17,804	\$ 400,565	\$ 4,642,064

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	TOTAL
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 1,665,334	\$ -	\$ 237,684	\$ 1,903,018
Changes of assumptions	\$ 981,399	-	810,599	\$ 1,791,998
Net difference between projected and actual earnings on pension plan investments	\$ 1,855,770	-	-	\$ 1,855,770
Changes in proportion and differences between County contributions and proportionate share of contributions	\$ 372,033	70,924	-	\$ 442,957
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	\$ 2,694,139	6,165	144,300	\$ 2,844,604
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ -	\$ 2,972	\$ 2,034	\$ 5,006
Changes of assumptions	\$ -	-	45,708	\$ 45,708
Changes in proportion and differences between County contributions and proportionate share of contributions	\$ 130,610	12,481	-	\$ 143,091

g. Other Postemployment Benefit

Health Care Benefits

Plan Description – Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Government Employees' Retirement System (the System) and have at least five years of creditable service with the County. The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The County provides a portion of the total cost of coverage for these benefits for individual retirees based on years of service at retirement. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Plan Membership. At June 30, 2019 and June 30, 2020, the HCB membership consisted of the following:

	2019	2020
Retirees receiving benefits	82	79
Inactive members entitled to but not receiving benefits	-	-
Active plan members	<u>584</u>	<u>516</u>
Total	<u>666</u>	<u>595</u>

Contributions. The Board of Commissioners established the contribution requirements of plan members and these requirements may be amended by the Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2021, per month the County contributed \$745 per active employee and up to \$745 per retired employee. The County's contribution is dependent on the employee's number of years of creditable service with the County at retirement. Retirees with ten to twenty-five years of creditable service pay a monthly premium. Retirees with more than twenty-five years of creditable do not contribute to the plan. The Board of Commissioners may amend the benefit provisions.

County contributions to HCB Plan based on creditable years of service

Years of Creditable service	
5-9	20%
10-14	45%
15-19	60%
20-24	75%
25+	100%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Salary increases	3.50 to 7.75%, including inflation and productivity factor
Discount rate	2.21%
Healthcare cost trend rates	7.00% for 2019, decreasing to an ultimate rate of 4.50% by 2026

The discount rate was based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index.

The actuarial assumptions used in the June 30, 2019 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.

Total OPEB liabilities were then rolled forward to June 30, 2020 for the employer and the plan, utilizing update procedures incorporating the actuarial assumptions.

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

Net OPEB Liability of the County

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements

For the Year Ended June 30, 2021

calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability (asset)	\$ 23,518,672	\$ 21,494,578	\$ 19,664,260

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

	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ 18,927,396	\$ 21,494,578	\$ 24,558,852

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County reported a net OPEB liability of \$21,494,578. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing the update procedures incorporating the actuarial assumptions.

At June 30, 2021, the components of the net OPEB liability of the County, measured as of June 30, 2020:

Balance at June 30, 2020	\$18,514,709
Changes for the year	
Service cost	984,295
Interest	669,258
Differences between expected and actual	(268,487)
Changes of assumptions	2,326,696
Benefit payments	(732,393)
Net changes	<u>2,979,869</u>
Balances at June 30, 2021	<u>\$21,494,578</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in 2019 to 2.21% in 2020. Medical claims cost and rates were changed based on most recent experience and changes to the current schedule.

For the year ended June 30, 2021, the County recognized OPEB expense of \$1,965,439. At June 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 728,004	\$ 230,132
Changes of assumptions	2,244,154	648,168
County contributions subsequent to measurement date	603,003	-
Total	<u>\$ 3,575,161</u>	<u>\$ 878,300</u>

\$603,003 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Year ended June 30	
2022	\$ 300,648
2023	300,648
2024	305,032
2025	413,190
2026	480,311
Thereafter	294,029

h. Other Employment Benefits Death Benefits

The County has elected to provide death benefits to all eligible employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan). a multiple-employer, State administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service 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 will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3. Closure and Post closure Care Costs – Burke County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near, or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$5,333,851 reported as landfill closure and post closure care liability at June 30, 2021 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and post closure care in 2021. The County closed the facility in 1998 to household waste material but continues to accept construction and demolition materials. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and Federal Laws and regulations that help determine if a unit is financially able to meet closure and post closure care requirements.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

4. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources as of June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
		Statement of Net Position	Governmental Funds Balance Sheet
Changes in assumptions	\$ 4,036,152	\$ 693,876	\$ -
Pensions – difference between expected and actual experience	2,631,022	235,138	-
Pensions – difference between projected and actual investment earnings	1,855,770	-	-
Pensions – change in proportion and difference between employer contributions and proportionate share of contributions	442,957	143,091	-
Contributions to pension plans in current year	3,447,607	-	-
Deferred charges on refunding debt	1,420,405	-	-
EMS fees receivable, net	-	-	709,851
Prepaid taxes not yet earned (General)	-	58,076	58,076
Taxes receivable, net (General)	-	-	895,340
Taxes Receivable, net (Special Revenue)	-	-	176,079
Total	<u>\$ 13,833,913</u>	<u>\$ 1,130,181</u>	<u>\$ 1,839,346</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$134,553,600 for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2,000,000 per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. The County provides employee health, dental and life insurance benefits through commercial carriers.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are covered by a blanket bond for \$250,000. The Finance Officer, Tax Administrators and Register of Deeds are each individually bonded for \$50,000 each. The Sheriff is bonded for \$25,000.

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

6. Long-term Obligations

a. Capital Leases

The County has no capital lease agreements as a lessee.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

b. Installment Financing

The County's indebtedness at June 30, 2021 is comprised of the following individual issues:

Serviced by the County's General Fund:

\$6,885,000 2013 current refunding contract, due on October 1
10 installments of various principal amounts and interest at 2.15%
Final payment due 2023. Western Piedmont Community College
property is pledged as collateral for this loan. \$ 1,705,000

\$16,285,000 Refunding Certificate of Participation, Series 2013A
Due on April 1 and October 1, 25 installments of various principal
amounts and interest at 2.41% Final payment due 2026. Patton High
School is pledged as collateral for this loan. 7,445,000

\$15,820,000 Refunding Certificate of Participation, Series 2013B
Due on April 1 and October 1, 25 installments of various principal
amounts and interest at 2.41% Final payment due 2026. Draughn High
School is pledged as collateral for this loan. 7,200,000

\$21,075,000 Limited Obligation Bonds, Series 2017
Due on April 1 and October 1, 20 installments of various principal
amounts and interest at 3.00% to 5.00%. Final payment due 2037.
County Jail is pledged as collateral for this loan. 16,865,000

\$20,010,000 Limited Obligation Bonds, Series 2018
Due on April 1 and October 1, 20 installments of various principal
amounts and interest at 3.00% to 5.00%. Final payment due 2038.
Mountain View Elementary is pledged as collateral for this loan. \$17,025,000

Total governmental activities 50,240,000

Serviced by the Water and Sewer Fund:

\$242,679 note payable with a principal payment for \$12,134 due
on May 1; interest free. Final payment due May 2030. 109,206

\$1,132,750 note payable with a principal payment for \$56,638 due
on May 1; interest free. Final payment due May 2040. 1,076,112

Total business -type activities 1,185,318

Total County debt outstanding \$51,425,318

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

For Burke County, the future minimum payments as of June 30, 2021, including \$13,168,611 of interest, are:

Year Ending June 30	Governmental Activities		Business Activities	
	Bonds	Notes from Direct Borrowings and Direct Placements	Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 240,000	\$ 9,120	\$ 5,755,000	\$ 1,801,263
2023	235,000	4,512	5,670,000	1,673,053
2024	-	-	5,440,000	1,495,715
2025	-	-	4,920,000	1,312,862
2026	-	-	4,855,000	1,141,298
2027-2031	-	-	10,275,000	3,932,038
2032-2036	-	-	10,275,000	1,656,938
2037-2040	-	-	3,050,000	141,813
Total payments	\$ 475,000	\$ 13,632	\$ 50,240,000	\$ 13,154,979

c. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Burke County issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the General Fund, are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

The County's indebtedness at June 30, 2021 is comprised of the following individual issues:

Serviced by the County's General Fund

\$3,735,000 2013 Advanced Refunding Bonds, due on October 1 and April 1, 10 installments of various principal amounts and interest at 1.92%. Final payments due in fiscal year 2022-2023.	<u>\$475,000</u>
Total governmental activities	<u>\$475,000</u>

Annual debt service requirements to maturity for the County's general bonds are as follows:

Year ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 240,000	\$ 9,120
2023	<u>235,000</u>	<u>4,512</u>
Total	\$ <u>475,000</u>	\$ <u>13,632</u>

The legal debt margin of the County at June 20, 2021 was \$543,592,064.

d. Current Refunding

On September 24, 2013, the County issued \$6,885,000 in an installment financing contract bearing an average coupon rate of 2.15%. This contract was executed and delivered to provide funds to refinance all the remaining principal components of the County's installment financing contracts ("IFCs") Series 2000, Series 2007 and Series 2008. As a result of the current refunding, the County reduced its annual

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

debt service payments over the next 10 years by \$600,237, which resulted in an economic gain of \$290,629

e. Advance Refunding

In September 24, 2013, the County issued \$16,285,000 and \$15,820,000 certificate of participation advanced refunding bonds to provide resources to purchase U. S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$28,955,000 to certificate of participation bonds. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,000,108. This amount is being netted against the new debt and amortized over the life of the old debt. These advanced refunding's were undertaken to reduce total debt service payments of the next 13 years by \$2,944,984 and resulted in an economic gain of approximately \$1.785,000.

On September 23, 2013, the County issued \$3,735,000 in a general obligation advanced refunding bonds to provide resources to purchase U. S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$3,735,000 to general obligation bonds. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceed the reacquisition price by \$40,527. This amount is being netted against the new debt and amortized over the life of the old debt. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$310,511 and resulted in an economic gain of \$289,644.

f. Debt related to Capital Activities

Of the total Governmental Activities debt listed, \$18,397,305 is capital debt related to assets the County holds title. There is unspent restricted cash of \$2,695 related to school construction debt held by fiscal agents. There are school and community college related debt in the amount of \$32,315,000 and the County does not report an asset balance for school properties, which are the collateral for these loans. The loans outstanding balance of \$32,315,000 and the restricted cash of \$2,695 are deducted from the total debt balance of \$50,715,000 leaving \$18,397,305 as debt related to capital activities.

g. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2021.

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
<u>Governmental activities:</u>					
General obligation debt	\$ 725,000	\$ -	\$ 250,000	\$ 475,000	\$ 240,000
Notes from direct borrowings and direct placements	56,070,000	-	5,830,000	50,240,000	5,755,000
Premium on debt issues	3,477,138	-	211,485	3,265,653	-
Other post-employment benefits	17,887,060	2,865,956	-	20,753,016	-
Net pension liability (LERS)	9,152,414	3,579,994	-	12,732,408	-
Net pension liability (LEOSA)	2,214,344	1,021,518	-	3,235,862	-
Compensated absences	1,864,494	1,749,897	1,493,407	2,120,984	-
Total governmental activities	\$ 91,390,450	\$ 9,217,364	7,784,892	92,822,923	\$ 5,995,000
<u>Business-type activities:</u>					
Notes from direct borrowings and direct placements	\$ 121,340	\$ 1,132,750	\$ 68,772	\$ 1,185,318	\$ 68,772
Accrued landfill closure and post closure care cost	5,270,604	63,247	-	5,333,851	-
Net pension liability (LERS)	321,154	133,810	-	454,964	-
Other post-employment benefits	627,649	113,913	-	741,562	-
Compensated absences	47,915	47,074	32,785	62,204	-
Total business-type activities	\$ 6,388,662	\$ 1,490,794	\$ 101,557	\$ 7,777,899	\$ 68,772

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

The County's outstanding notes from direct borrowings and direct placements related to governmental activities of \$50,240,000 contain a provision that in the event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County's outstanding notes from direct borrowings related to business-type activities of \$1,185,318 are unsecured. These outstanding notes contain a provision that in the event of default, the State may withhold any funds due to the County from other State revenue sources.

Compensated absences for governmental activities typically have been liquidated in the General fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

C. Interfund Balances and Activity:

Balances due to/from other funds at June 30, 2021, consisted of the following:

Interfund loan - On June 30, 2021, the Grant Fund borrowed \$209,223 from the General Fund to fund programs and grant requirements. The funds will be returned upon receipt of grant funds from the State.

Transfers to/from other funds at June 30, 2021 consist of the following:

General Fund to School One-Half Cent Sales Tax Fund for school capital	\$ 250,000
General Fund to School One Cent Sales Tax Fund for school projects	2,339,794
General Fund to Grant and Capital Projects Fund for trail expenditures	13,500
General Fund to Solid Waste Fund for land purchase	18,800
Water and Sewer Capital Fund to General Fund for closed project	91,371
Capital Project Funds to General Fund for closed projects	21,999
Grant and Capital Project Funds to General Fund for closed projects	952,882
School One Cent Sales Tax Fund to General Fund for school debt service	4,751,906
Water and Sewer Fund to General Fund for bond debt service	184,745
School One Cent Sales Tax Fund to General Fund for school projects	1,145,000
Water and Sewer Capital Fund to the Water and Sewer Fund	68,228
Total	<u>\$9,838,225</u>

D. Net Investment in Capital Assets:

	Governmental	Business-type
Capital assets	\$ 56,443,495	\$ 19,736,319
Less long-term debt	50,715,000	1,185,318
Add unexpended proceeds	2,695	-
Add debt for assets not on County's books	32,315,000	-
Net investment in capital assets	<u>\$ 37,852,760</u>	<u>\$ 18,551,001</u>

E. Fund Balance:

Burke County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-county funds, county funds. For the purposes 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 County.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

Total fund balance – General Fund	\$36,164,364
Less:	
Stabilization by State Statute	5,397,494
Committed	5,000
Appropriated Fund Balance in 2021 budget	2,014,370
Restricted	367,707
Remaining Fund Balance	<u>\$28,379,793</u>

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

<u>General Fund</u>	<u>Other Major and Non-Major Funds</u>
\$1,053,313	\$1,813,003

Note 4 -

Joint Ventures:

The County, in conjunction with the state of North Carolina and the Burke County Board of Education, participates in a joint venture to operate the Western Piedmont Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and provides some financial support for the community college's operations.

In addition to providing annual appropriations for the facilities, the County may periodically issue debt to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$2,680,735 to the community college for the fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2021. Complete financial statements for the community college can be obtained from the community college's offices in Morganton, North Carolina.

The County, in conjunction with five other local governments, operates the Burke Partnership for Economic Development, Inc. The County appoints three members of the 24-member board. The County has an ongoing financial responsibility for the joint venture because the Partnership's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Partnership, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$290,060 to the Partnership to supplement its activities. Complete financial statements for the Partnership can be obtained from the Partnership's offices in Morganton North Carolina.

The County, in conjunction with Caldwell County, participates in Blue Ridge Community Action, A non-profit organization whose function is to address problems relating to poverty in Burke and Caldwell Counties. Burke county appoints three members of the 18-member board. No equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements can be obtained from the organization's administrative office in Morganton, North Carolina. Burke County made payments of \$11,070 to Blue Ridge Community Action during the fiscal year ended June 30, 2021.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

Note 5 - Jointly Governed Organization:

Western Piedmont Council of Governments (WPCOG) is a regional planning organization. It consists of twenty-four municipalities and four counties within western North Carolina. WPCOG's governing board is comprised of one elected official from each of these local governments and seven at-large citizen members. Each local government has one vote. The County paid \$106,401 to the WPCOG during fiscal year ended June 30, 2021. Payments consisted of \$79,148 in dues and \$27,253 for services.

Western Piedmont Regional Transit Authority (WPRTA) is the first regional public transportation authority with consolidated urban-rural transit service in North Carolina. Alexander, Burke, Caldwell, and Catawba Counties, in conjunction with the municipalities of Conover, Hickory and Newton, each appoint one member to the governing board of the WPRTA. The County paid \$71,924 to WPRTA during fiscal year ended June 30, 2021. Payments consisted of \$70,850 in contributions and \$1,074 for services.

Note 6 - Benefit Payments Issued by the State:

The amounts listed below were paid directly to individual recipients by the State from Federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	\$ 454,445	\$ -
Supplemental Nutrition Assistance Program	30,727,017	-
Temporary Assistance for Needy Families	1,015,488	-
Adoption Assistance	1,442,346	258,543
Foster Care - Title IV-E	1,460,260	369,924
Medical Assistance Program	120,954,694	46,581,131
Children's Health Insurance Program	2,483,643	498,303
Child Welfare Services Adoption	-	324,907
State / County Special Assistance program	-	535,500
	<u>\$ 158,537,893</u>	<u>\$ 48,568,308</u>

Note 7 - Summary Disclosure of Significant Commitments and Contingencies:

Federal and State Assisted Programs

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

COVID-19 Pandemic

The spread of the Coronavirus Disease (COVID-19) was deemed a worldwide pandemic during the fiscal year 2020. The COVID-19 pandemic has had significant effects on global economic markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown as events associated with the pandemic continue to develop and cannot be reasonably estimated as of October 31, 2021.

Note 8 - Commitments:

The County had outstanding construction commitments relating to projects of approximately \$1,006,367 at June 30, 2021.

BURKE COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

Note 9 -

Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

	Governmental Activities Net Position – Increase (Decrease)	General Fund Balance – Increase (Decrease)	Nonmajor Special Revenue Fund Balance – Increase (Decrease)	Fiduciary Net Position – Custodial Fund – Increase (Decrease)	
\$	-	-	-	14,749	Cash received under the Inmate Commissary Fund net of liabilities owed for payments on behalf of beneficiaries was reclassified out of the Agency Fund into a newly created Inmate Commissary Custodial Fund. The portion of liabilities in the Agency Fund representing the net cash available at the beginning of the year was restated as custodial net position.
	-	-	-	132,561	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities was reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year was restated as custodial net position.
	88,973	-	88,973	-	Cash received under the Social Security Trust Fund net of liabilities owed for payments on behalf of beneficiaries was reclassified out of the Agency Fund into a newly created DSS Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing the net cash available at the beginning of the year was restated as fund balance.
	29,668	-	29,668	-	Cash and receivables from the fines and forfeitures net of liabilities owed to the Burke County Board of Education was reclassified out of the Agency Fund into the School One-Half Cent Sales Tax Special Revenue Fund. The portion of liabilities in the Agency Fund representing receivable that was uncollected at the beginning of the year was restated as fund balance.
	-	-	-	-	Cash and liabilities related to deed of trust fees collected required to be remitted to the State of North Carolina was reclassified out of the Agency Fund into a newly created Deed of Trust Special Revenue Fund. The reclassifications did not result in a restatement of fund balance.
\$	118,641	-	118,641	147,310	

Required Supplemental Financial Data

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

Schedule

- 1 Schedule of County's Proportionate Share of Net Pension Liability/(Asset) -
Local Government Employees' Retirement System (LGERS)
- 2 Schedule of County's Contributions (LGERS)
- 3 Schedule of County's Proportionate Share of Net Pension Liability/(Asset) -
Register of Deeds' Supplemental Pension Fund (RODSPF)
- 4 Schedule of County's Contributions (RODSPF)
- 5 Schedule of Changes in the Total Pension Liability - Law Enforcement
Officers' Special Separation Allowance (LEOSSA)
- 6 Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)
- 7 Schedule of Changes in the Total Pension Liability and Related Ratios -
Other Post Employment Benefits (OPEB)

Burke County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

Local Government Employees' Retirement System (LGERS)
 Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.36904%	0.34690%	0.33953%	0.33700%	0.33800%	0.33000%	0.32%	0.31200%
County's proportionate share of the net pension liability (asset) \$	\$ 13,187,372	\$ 9,473,568	\$ 8,054,813	\$ 5,151,024	\$ 7,170,158	\$ 1,480,842	\$ (1,880,464)	\$ 3,757,182
County's covered employee payroll	\$ 24,996,198	\$ 22,598,798	\$ 21,500,564	\$ 20,167,767	\$ 19,749,501	\$ 17,498,524	\$ 17,939,641	\$ 17,098,689
County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	52.76%	41.92%	37.46%	25.54%	36.31%	8.46%	(10.48%)	21.97%
Plan fiduciary net position as a percentage of the total pension liability	88.61%	90.86%	94.18%	91.47%	98.09%	98.79%	102.64%	94.35%

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

**Burke County, North Carolina
County's Contributions**

Local Governmental Employees' Retirement System
Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,694,139	\$ 2,274,957	\$ 1,786,202	\$ 1,648,938	\$ 1,504,918	\$ 1,350,003	\$ 1,248,357	\$ 1,279,616
Contributions in relation to the contractually required contribution	2,694,139	2,274,957	1,786,202	1,648,938	1,504,918	1,350,003	1,248,357	1,279,616
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered employee payroll	\$ 26,191,445	\$ 24,996,198	\$ 22,598,798	\$ 21,500,564	\$ 20,167,767	\$ 19,749,501	\$ 17,498,524	\$ 17,939,641
Contributions as a percentage of covered employee payroll	10.29%	9.10%	7.90%	7.67%	7.46%	6.84%	7.13%	7.13%

Burke County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

Register of Deeds' Supplemental Pension Fund (RODSPF)
 Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.63646%	0.8541%	1.3019%	1.1050%	1.0700%	0.8360%	0.7680%	0.6960%
County's proportionate share of the net pension liability (asset) \$	\$ (145,864)	\$ (168,620)	\$ (215,625)	\$ (188,558)	\$ (199,982)	\$ (193,630)	\$ (174,018)	\$ (148,651)
Plan fiduciary net position as a percentage of the total pension liability	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

**Burke County, North Carolina
County's Contributions**

Register of Deeds' Supplemental Pension Fund (RODSPF)
Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,165	\$ 6,094	\$ 9,169	\$ 10,090	\$ 9,598	\$ 8,738	\$ 6,686	\$ 6,268
Contributions in relation to the contractually required contribution	6,165	6,094	9,169	10,090	9,598	8,738	6,686	6,268
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Burke County, North Carolina
Law Enforcement Officers' Special Separation Allowance

Schedule of the Changes in the Total Pension Liability*

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
Total pension liability									
Service cost	\$ 114,110	\$	97,184	\$	101,215	\$	87,844	\$	89,864
Interest	69,836		67,416		60,350		66,610		62,773
Change of benefit terms	-		-		-		-		-
Difference between expected and actual experience	111,339		200,282		(4,188)		39,102		-
Changes of assumptions and other inputs	870,533		67,167		(77,031)		122,762		(42,681)
Benefit payments, including refunds of member contributions	(144,300)		(139,592)		(136,569)		(127,722)		(157,560)
Net change in total pension liability	<u>\$ 1,021,518</u>	\$	<u>292,457</u>	\$	<u>(56,223)</u>	\$	<u>188,596</u>	\$	<u>(47,604)</u>
Total pension liability-beginning	<u>\$ 2,214,344</u>	\$	<u>1,921,887</u>	\$	<u>1,978,110</u>	\$	<u>1,789,514</u>	\$	<u>1,837,118</u>
Total pension liability-ending	<u><u>\$ 3,235,862</u></u>	\$	<u><u>2,214,344</u></u>	\$	<u><u>1,921,887</u></u>	\$	<u><u>1,978,110</u></u>	\$	<u><u>1,789,514</u></u>

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

Burke County, North Carolina
Law Enforcement Officers' Special Separation Allowance

Covered Payroll

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability (TPL)	\$ 3,235,862	\$ 2,214,344	\$ 1,921,887	\$ 1,978,110	\$ 1,789,514
Covered-employee payroll	4,414,350	3,895,779	3,789,936	3,678,138	3,605,083
Total pension liability as a percentage of covered-employee payroll	73.30%	56.84%	50.71%	53.78%	49.64%

Burke County, North Carolina
Other Post Employment Benefits-Healthcare Benefits Plan

Schedule of the Changes in the Net OPEB Liability and Related Ratios

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 984,295	\$ 907,414	\$ 932,000	\$ 997,857
Interest	669,758	638,351	589,390	502,801
Benefit changes	-	-	-	-
Difference between expected and actual experience	(268,487)	954,152	25,502	75,144
Changes of assumptions and other inputs	2,326,696	349,779	(512,077)	(838,989)
Benefit payments*	(732,393)	(1,475,987)	(891,636)	(880,155)
Net change in total OPEB liability	\$ 2,979,869	\$ 1,373,709	\$ 143,179	\$ (143,342)
Total OPEB liability-beginning	\$ 18,514,709	\$ 17,141,000	\$ 16,997,821	\$ 17,141,163
Total OPEB liability-ending	\$ <u>21,494,578</u>	\$ <u>18,514,709</u>	\$ <u>17,141,000</u>	\$ <u>16,997,821</u>
Covered employee payroll	\$ 21,053,866	\$ 21,053,866	\$ 19,792,401	\$ 19,792,401
Total OPEB Liability as percentage of covered em	102.09%	87.94%	86.60%	85.88%

*Benefit payments shown above include the implicit subsidy, if there is any for the given year.

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

Burke County, North Carolina

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Taxes - ad valorem:			
Current year	\$	\$ 51,068,117	\$
Discounts		(572,710)	
Prior years		813,407	
Advertising and interest		459,643	
Total Taxes - ad valorem	<u>49,310,000</u>	<u>51,768,457</u>	<u>2,458,457</u>
Taxes - other:			
Local option sales taxes		9,135,572	
Real estate transfer tax		432,663	
Occupancy tax		614,477	
ABC Tax Distribution		250,902	
NC Unauthorized substance abuse tax		81,161	
Gross receipts tax		54,134	
Franchise tax		226,030	
Total Taxes - other	<u>9,393,010</u>	<u>10,794,939</u>	<u>1,401,929</u>
Unrestricted Intergovernmental:			
Medicaid hold harmless		1,689,350	
Health Medicaid cost settlement		207,601	
Library contributions		304,000	
Payments in lieu of taxes		144,378	
Other unrestricted intergovernmental		631,171	
Total Unrestricted Intergovernmental	<u>3,151,480</u>	<u>2,976,500</u>	<u>(174,980)</u>
Restricted Intergovernmental:			
Grants-Federal and State-Other		762,367	
Grants-Federal and State-DSS		11,100,342	
Grants-Federal and State-Health		1,221,616	
Grants-Federal and State-Senior Services		254,027	
State Aid to Libraries		139,132	
COVID-19		157,486	
Court facilities fees		102,400	
Total Restricted Intergovernmental	<u>16,023,322</u>	<u>13,737,370</u>	<u>(2,285,952)</u>
Permits and Fees:			
Sheriff's office permits and fees		256,797	
Planning and zoning fees		257,291	
Register of deeds fees		494,667	
Building Inspections		386,279	
Health Department services		761,338	
Library		15,870	
DSS fees		122,359	
Other permits and fees		14,329	
Total Permits and Fees	<u>1,876,980</u>	<u>2,308,930</u>	<u>431,950</u>
Sales and Service:			
EMS ambulance charges		3,870,302	
Animal Services		85,343	
Recreation fees		57,116	
Reimbursement for inmates		108,791	
Rent		401,901	
Other sales and services		18,687	
Total Sales and Service	<u>4,148,700</u>	<u>4,542,140</u>	<u>393,440</u>
Investment earnings:	<u>475,000</u>	<u>123,774</u>	<u>(351,226)</u>
Miscellaneous:			
Other		429,358	
Donations		14,400	
Total Miscellaneous	<u>417,223</u>	<u>443,758</u>	<u>26,535</u>
TOTAL REVENUES	\$ 84,795,715	\$ 86,695,868	\$ 1,900,153

Burke County, North Carolina

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance
EXPENDITURES:			
General Government			
Governing Body:			
Salaries and benefits	\$	\$ 150,128	\$
Operating expenses		27,948	
Total Governing Body	185,615	178,076	7,539
County Manager's Office:			
Salaries and benefits		305,477	
Operating expenses		4,923	
Total County Manager's Office	322,850	310,400	12,450
Finance:			
Salaries and benefits		489,291	
Operating expenses		39,793	
Total Finance	588,145	529,084	59,061
Tax Administration:			
Salaries and benefits		879,494	
Operating expenses		522,918	
Capital outlay		22,665	
Total Tax Administration	1,425,835	1,425,077	758
Tax Revaluation:			
Salaries and benefits		236,577	
Operating expenses		4,037	
Total Tax Revaluation	240,835	240,614	221
Human Resources:			
Salaries and benefits		336,269	
Operating expenses		212,319	
Total Human Resources	549,600	548,588	1,012
Legal and Courts:			
Legal expenses		174,105	
Court expenses		15,864	
Total Legal and Courts	193,470	189,969	3,501
Board of Elections:			
Salaries and benefits		310,506	
Operating expenses		93,180	
Total Board of Elections	457,175	403,686	53,489
Register of Deeds:			
Salaries and benefits		315,822	
Operating expenses		110,813	
Capital outlay		33,794	
Total Register of Deeds	469,652	460,429	9,223
Non Departmental:			
Operating expenses		514,348	
COVID-19 grant expenses		33,322	
Capital outlay		44,208	
Total Non Departmental	2,446,751	591,878	1,854,873
Information Technologies:			
Salaries and benefits		828,518	
Operating expenses		974,823	
Total Information Technologies	1,955,865	1,803,341	152,524

Burke County, North Carolina

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance
General Services:			
Salaries and benefits	\$	\$ 657,119	\$
Operating expenses		128,833	
Capital outlay		4,032	
Total General Services	834,328	789,984	44,344
Buildings:			
Operating expenses		1,510,004	
Capital outlay		96,469	
Total Public Buildings	2,183,823	1,606,473	577,350
Total General Government	11,853,944	9,077,599	2,776,345
Public Safety			
Sheriff's Office:			
Salaries and benefits		6,415,466	
Operating expenses		785,916	
Capital outlay		666,911	
Total Sheriff's Office	8,767,949	7,868,293	899,656
Jail:			
Salaries and benefits		2,980,043	
Operating expenses		1,140,324	
Total Jail	4,801,660	4,120,367	681,293
Animal Services:			
Salaries and benefits		278,436	
Operating expenses		117,956	
Total Animal Services	435,015	396,392	38,623
Emergency Services:			
Salaries and benefits		253,274	
Operating expenses		58,452	
Capital outlay		7,154	
Total Emergency Services	339,225	318,880	20,345
Communications/911 Center:			
Salaries and benefits		1,826,695	
Operating expenses		377,385	
Total Communications/911 Center	2,369,810	2,204,080	165,730
Emergency Medical Services:			
Salaries and benefits		4,925,480	
Operating expenses		906,904	
Capital outlay		412,062	
Total Emergency Medical Services	6,245,015	6,244,446	569
Community Development:			
Salaries and benefits		525,292	
Operating expenses		37,444	
Total Community Development	562,884	562,736	148
Building Inspections:			
Salaries and benefits	\$	\$ 280,770	\$
Operating expenses		22,432	
Total Building Inspections	316,215	303,202	13,013
Other Public Safety:	769,620	753,908	15,712
Total Public Safety	24,607,393	22,772,304	1,835,089

Burke County, North Carolina

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance
Transportation			
Transportation:	<u>70,850</u>	<u>70,850</u>	<u>-</u>
Economic and Physical Development			
Economic development:		743,991	
Aids and donations:		357,813	
Occupancy tax:		598,333	
Total Economic and Physical Development	<u>3,556,659</u>	<u>1,700,137</u>	<u>1,856,522</u>
Environmental Protection			
Cooperative Extension:			
Salaries and benefits		358,450	
Operating expenses		41,875	
Total Cooperative Extension	<u>403,125</u>	<u>400,325</u>	<u>2,800</u>
Soil and Water Conservation:			
Salaries and benefits		123,795	
Operating expenses		8,828	
Capital outlay		22,665	
Total Soil and Water Conservation	<u>156,225</u>	<u>155,288</u>	<u>937</u>
Total Environmental Protection	<u>559,350</u>	<u>555,613</u>	<u>3,737</u>
Human Services			
Public Health			
Salaries and benefits		2,770,299	
Operating and program expenses		563,657	
Capital outlay		25,208	
Total Public Health	<u>3,594,095</u>	<u>3,359,164</u>	<u>234,931</u>
Mental Health:	<u>265,000</u>	<u>265,000</u>	<u>-</u>
Social Services:			
Salaries and benefits		9,551,713	
Operating expenses		1,409,197	
Capital outlay		22,665	
Beneficiary programs		5,324,894	
Total Social Services	<u>17,787,247</u>	<u>16,308,469</u>	<u>1,478,778</u>
Senior Services			
Salaries and benefits		314,665	
Operating expenses		126,299	
Capital outlay		75,019	
Total Senior Services	<u>520,605</u>	<u>515,983</u>	<u>4,622</u>
Veterans Services:			
Salaries and benefits		42,138	
Operating expenses		1,107	
Total Veterans Services	<u>43,550</u>	<u>43,245</u>	<u>305</u>
Total Human Services	<u>22,210,497</u>	<u>20,491,861</u>	<u>1,718,636</u>
Education			
Public Schools - current		16,049,205	
Community College - current		2,680,735	
Total Education	<u>18,729,940</u>	<u>18,729,940</u>	<u>-</u>
Cultural and Recreational			
Library:			
Salaries and benefits	\$	\$ 1,256,645	\$
Operating expenses		234,594	
Total Library	<u>1,531,070</u>	<u>1,491,239</u>	<u>39,831</u>

Burke County, North Carolina

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Recreation:			
Salaries and benefits		417,305	
Operating expenses		171,369	
Capital outlay		26,476	
Total Recreation	<u>681,520</u>	<u>615,150</u>	<u>66,370</u>
Total Cultural and Recreational	<u>2,212,590</u>	<u>2,106,389</u>	<u>106,201</u>
Debt Service			
Principal retirement		6,080,000	
Interest and fees		1,999,465	
Total Debt Service	<u>8,079,465</u>	<u>8,079,465</u>	<u>-</u>
TOTAL EXPENDITURES	<u>91,880,688</u>	<u>83,584,158</u>	<u>8,296,530</u>
Excess (deficiency) of revenues over expenditures	<u>(7,084,973)</u>	<u>3,111,710</u>	<u>10,196,683</u>
OTHER FINANCING SOURCES (USES):			
Gain/(loss) on disposal of assets	90,000	1,776,206	1,686,206
Transfer from Water/Sewer Fund	184,745	184,745	-
Transfer from School One Cent Sales Tax Fund	1,145,000	1,145,000	-
Transfer from School One Cent Sales Tax Fund	5,126,850	4,751,906	(374,944)
Transfer from Capital Project Funds	-	1,066,252	1,066,252
Transfer to Solid Waste Fund	(18,800)	(18,800)	-
Transfer to School One-Half Cent Sales Tax Fund	(250,000)	(250,000)	-
Transfer to School One Cent Sales Tax Fund	(2,340,000)	(2,339,794)	206
Transfer to Grants and Capital Projects Fund	(13,500)	(13,500)	-
Fund Balance Appropriated	<u>3,160,678</u>	<u>-</u>	<u>(3,160,678)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,084,973</u>	<u>6,302,015</u>	<u>(782,958)</u>
Net change in fund balance	\$ <u>-</u>	9,413,725	<u>9,413,725</u>
Fund balance, beginning of year, originally reported		26,775,132	
Prior year adjustment for FY 18-19, Emergency Telephone System Fund		(27,085)	
Prior year adjustment for FY 19-20, Emergency Telephone System Fund		<u>2,592</u>	
Fund balance, beginning of year, restated		<u>26,750,639</u>	
Fund balance, end of year		\$ <u>36,164,364</u>	

Burke County, North Carolina
 BCPS One Cent Sales Tax Capital Project Fund (Major Fund)
 Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental			
Local option sales tax	\$ 5,200,000	\$ 6,963,999	\$ 1,763,999
Public school capital building funds	860,000	-	(860,000)
Investment Earnings	<u>-</u>	<u>31,569</u>	<u>31,569</u>
Total revenues	<u>6,060,000</u>	<u>6,995,568</u>	<u>935,568</u>
Expenditures:			
Equipment	<u>1,938,150</u>	<u>-</u>	<u>1,938,150</u>
Total expenditures	<u>1,938,150</u>	<u>-</u>	<u>1,938,150</u>
Excess (deficiency) of revenues over expenditures	<u>4,121,850</u>	<u>6,995,568</u>	<u>2,873,718</u>
Other financing sources (uses):			
Transfer from General Fund	2,150,000	2,339,794	189,794
Transfer to General Fund	<u>(6,271,850)</u>	<u>(5,896,906)</u>	<u>374,944</u>
Total Other Financing sources (uses):	<u>(4,121,850)</u>	<u>(3,557,112)</u>	<u>564,738</u>
Net change in fund balance	\$ <u>-</u>	3,438,456	\$ <u>3,438,456</u>
Fund balance, beginning of year		<u>14,408,909</u>	
Fund balance, end of year		\$ <u>17,847,365</u>	

Burke County, North Carolina
 Grants and Special Project Fund (Major Fund)
 Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental					
US DOJ	\$ 1,100,000	\$ 129,614	\$ 152,762	\$ 282,376	\$ (817,624)
DHHS-COVID-19	5,527,479	275,665	3,989,003	4,264,668	(1,262,811)
Contributions	5,000	4,950	-	4,950	(50)
Interest earnings	-	-	2,441	2,441	2,441
Total revenues	<u>6,632,479</u>	<u>410,229</u>	<u>4,144,206</u>	<u>4,554,435</u>	<u>(2,078,044)</u>
Expenditures:					
Public safety	1,100,000	129,614	152,762	282,376	817,624
Human services-COVID-19	<u>5,532,479</u>	<u>275,665</u>	<u>3,996,394</u>	<u>4,272,059</u>	<u>1,260,420</u>
Total expenditures	<u>6,632,479</u>	<u>405,279</u>	<u>4,149,156</u>	<u>4,554,435</u>	<u>2,078,044</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(4,950)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>4,950</u>	(4,950)	\$ <u>-</u>	\$ <u>-</u>
Fund balance, beginning of year			<u>4,950</u>		
Fund balance, end of year		\$ <u>-</u>	<u>-</u>		

Burke County, North Carolina
American Rescue Act Grant Project Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	<u>-</u>	<u>-</u>	<u>1,518</u>	<u>1,518</u>	<u>1,518</u>
Total revenues	<u>-</u>	<u>-</u>	<u>1,518</u>	<u>1,518</u>	<u>1,518</u>
Expenditures:					
Public health projects	-	-	-	-	-
Water/Sewer improvement projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,518</u>	<u>1,518</u>	<u>1,518</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,518</u>	<u>\$ 1,518</u>	<u>\$ 1,518</u>
Fund balance, beginning of year			<u>-</u>		
Fund balance, end of year		\$	<u><u>1,518</u></u>		

Burke County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Nonmajor Special Revenue Funds						Nonmajor Capital Project Funds				
	Law Enforcement Restricted Fund	Emergency Telephone System Fund	Fire Districts Fund	Grant and Projects Fund	DSS Representative Payee Fund	Deed of Trust Fund	Total Nonmajor Special Revenue Funds	Capital Projects Fund	School One-Half Cent Sales Tax Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS:											
Cash and cash equivalents	\$ 11,131	\$ 298,965	\$ 12,683	\$ 88,600	\$ 107,208	\$ 5,964	\$ 524,551	\$ 212,132	\$ 833,547	\$ 1,045,679	\$ 1,570,230
Cash held by fiscal agents	-	-	-	2,695	-	-	2,695	-	-	-	2,695
Investments	38,086	1,022,972	-	303,164	-	-	1,364,222	650,581	2,852,161	3,502,742	4,866,964
Due from other governments	-	55,714	50,579	943,843	-	-	1,050,136	9,783	965,868	975,651	2,025,787
Accounts receivable	-	-	-	70,407	-	-	70,407	-	-	-	70,407
Taxes receivable, net	-	-	176,079	-	-	-	176,079	-	-	-	176,079
Total assets	<u>\$ 49,217</u>	<u>\$ 1,377,651</u>	<u>\$ 239,341</u>	<u>\$ 1,408,709</u>	<u>\$ 107,208</u>	<u>\$ 5,964</u>	<u>\$ 3,188,090</u>	<u>\$ 872,496</u>	<u>\$ 4,651,576</u>	<u>\$ 5,524,072</u>	<u>\$ 8,712,162</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:											
Liabilities:											
Accounts payable/accrued liabilities	\$ -	\$ 261	\$ 63,262	\$ 64,397	\$ -	\$ -	\$ 127,920	\$ -	\$ 26,160	\$ 26,160	\$ 154,080
Due to other governments	-	-	-	-	-	5,964	5,964	-	-	-	5,964
Total Liabilities	<u>-</u>	<u>261</u>	<u>63,262</u>	<u>64,397</u>	<u>-</u>	<u>5,964</u>	<u>133,884</u>	<u>-</u>	<u>26,160</u>	<u>26,160</u>	<u>160,044</u>
Deferred Inflows of Resources:											
Taxes paid in advance	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	176,079	-	-	-	176,079	-	-	-	176,079
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>176,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,079</u>
Fund Balances:											
Committed for:											
Capital projects	-	-	-	1,344,312	-	-	1,344,312	-	-	-	1,344,312
Restricted for:											
Economic and Physical Development	-	-	-	-	-	-	-	872,496	-	872,496	872,496
Education	-	-	-	-	-	-	-	-	4,625,416	4,625,416	4,625,416
Human Services	-	-	-	-	107,208	-	107,208	-	-	-	107,208
Public Safety	49,217	1,377,390	-	-	-	-	1,426,607	-	-	-	1,426,607
Total fund balances	<u>49,217</u>	<u>1,377,390</u>	<u>-</u>	<u>1,344,312</u>	<u>107,208</u>	<u>-</u>	<u>2,878,127</u>	<u>872,496</u>	<u>4,625,416</u>	<u>5,497,912</u>	<u>8,376,039</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,217</u>	<u>\$ 1,377,651</u>	<u>\$ 239,341</u>	<u>\$ 1,408,709</u>	<u>\$ 107,208</u>	<u>\$ 5,964</u>	<u>\$ 3,188,090</u>	<u>\$ 872,496</u>	<u>\$ 4,651,576</u>	<u>\$ 5,524,072</u>	<u>\$ 8,712,162</u>

Burke County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Nonmajor Special Revenue Funds						Nonmajor Capital Project Funds				
	Law Enforcement Restricted Fund	Emergency Telephone System Fund	Fire Districts Fund	Grant and Capital Projects Fund	DSS Representative Payee Fund	Deed of Trust Fund	Total Nonmajor Special Revenue Funds	Capital Projects Fund	School One-Half Cent Sales Tax Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES											
Ad valorem taxes	\$ -	\$ -	\$ 4,530,830	\$ -	\$ -	\$ -	\$ 4,530,830	\$ -	\$ -	\$ -	\$ 4,530,830
Permits and fees	-	-	-	-	-	62,861	62,861	-	341,217	341,217	404,078
Other taxes and licenses	-	-	-	-	-	-	-	-	3,382,402	3,382,402	3,382,402
Restricted intergovernmental	28,622	668,565	-	1,217,515	313,041	-	2,227,743	25,023	136,764	161,787	2,389,530
Contributions	-	-	-	220,500	-	-	220,500	-	-	-	220,500
Investment earnings	170	2,846	-	3,935	-	-	6,951	2,252	9,353	11,605	18,556
Total revenues	28,792	671,411	4,530,830	1,441,950	313,041	62,861	7,048,885	27,275	3,869,736	3,897,011	10,945,896
EXPENDITURES											
General government	-	-	-	-	-	62,861	62,861	-	-	-	62,861
Public safety	92,784	520,243	4,530,830	-	-	-	5,143,857	-	-	-	5,143,857
Education	-	-	-	-	-	-	-	-	3,733,004	3,733,004	3,733,004
Cultural and Recreation	-	-	-	189,873	-	-	189,873	-	-	-	189,873
Human Services	-	-	-	-	294,806	-	294,806	-	-	-	294,806
Economic and physical development	-	-	-	1,530,875	-	-	1,530,875	-	-	-	1,530,875
Total expenditures	92,784	520,243	4,530,830	1,720,748	294,806	62,861	7,222,272	-	3,733,004	3,733,004	10,955,276
OTHER FINANCING SOURCES/(USES)											
Transfer from other funds	-	-	-	13,500	-	-	13,500	-	250,000	250,000	263,500
Transfer to other funds	-	-	-	(952,883)	-	-	(952,883)	(21,999)	-	(21,999)	(974,882)
Total other financing sources/uses	-	-	-	(939,383)	-	-	(939,383)	(21,999)	250,000	228,001	(711,382)
Net change in fund balances	(63,992)	151,168	-	(1,218,181)	18,235	-	(1,112,770)	5,276	386,732	392,008	(720,762)
Fund balances, beginning of year	113,209	1,201,729	-	2,562,493	-	-	3,877,431	867,220	4,209,016	5,076,236	8,953,667
Prior period adjustments	-	24,493	-	-	88,973	-	113,466	-	29,668	29,668	143,134
Fund balances, beginning of year, restated	113,209	1,226,222	-	2,562,493	88,973	-	3,990,897	867,220	4,238,684	5,105,904	9,096,801
Fund balances, end of year	\$ 49,217	\$ 1,377,390	\$ -	\$ 1,344,312	\$ 107,208	\$ -	\$ 2,878,127	\$ 872,496	\$ 4,625,416	\$ 5,497,912	\$ 8,376,039

Burke County, North Carolina
 Law Enforcement Restricted Fund
 Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental	\$ -	\$ 28,622	\$ 28,622
Investment Earnings	<u>-</u>	<u>170</u>	<u>170</u>
Total revenues	<u>-</u>	<u>28,792</u>	<u>28,792</u>
Expenditures:			
Public Safety	23,835	23,835	-
Capital outlay	<u>78,355</u>	<u>68,949</u>	<u>9,406</u>
Total expenditures	<u>102,190</u>	<u>92,784</u>	<u>9,406</u>
Excess (deficiency) of revenues over expenditures	<u>(102,190)</u>	<u>(63,992)</u>	<u>38,198</u>
Other financing sources (uses):			
Appropriated Fund Balance	<u>102,190</u>	<u>-</u>	<u>(102,190)</u>
Total other financing sources (uses)	<u>102,190</u>	<u>-</u>	<u>(102,190)</u>
Net change in fund balance	<u>\$ -</u>	<u>(63,992)</u>	<u>\$ (63,992)</u>
Fund balance, beginning of year		<u>113,209</u>	
Fund balance, end of year		<u>\$ 49,217</u>	

Burke County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental:			
Emergency Telephone Surcharge funds	\$ 660,855	\$ 668,565	\$ 7,710
Investment earnings	<u>28,645</u>	<u>2,846</u>	<u>(25,799)</u>
Total revenues	<u>689,500</u>	<u>671,411</u>	<u>(18,089)</u>
Expenditures:			
Public safety:			
Functions	55,000	40,508	14,492
Software	459,210	86,960	372,250
Training	26,000	10,119	15,881
Telephones	179,000	178,088	912
Hardware	<u>315,044</u>	<u>204,568</u>	<u>110,476</u>
Total expenditures	<u>1,034,254</u>	<u>520,243</u>	<u>514,011</u>
Excess (deficiency) of revenues over expenditures	<u>(344,754)</u>	<u>151,168</u>	<u>495,922</u>
Other financing sources (uses):			
Appropriated fund balance	<u>344,754</u>	<u>-</u>	<u>(344,754)</u>
Total Other Financing sources (uses):	<u>344,754</u>	<u>-</u>	<u>(344,754)</u>
Net change in fund balance	\$ <u><u>-</u></u>	151,168	\$ <u><u>151,168</u></u>
Fund balance, beginning of year, previously reported		1,201,729	
Prior year adjustment for FY 18-19, 911 Board changes		27,085	
Prior year adjustment for FY 19-20, 911 Board changes		(2,592)	
Fund balance, beginning of year, restated		<u>1,226,222</u>	
Fund balance, end of year		\$ <u><u>1,377,390</u></u>	

Burke County, North Carolina
Fire Districts Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes and interest	\$ 4,537,945	\$ 4,530,830	\$ (7,115)
Total revenues	<u>4,537,945</u>	<u>4,530,830</u>	<u>(7,115)</u>
Expenditures:			
Public safety:			
Brendleton Fire Department	326,200	325,853	347
Carbon City Fire Department	11,495	11,048	447
Chesterfield Fire Department	161,400	160,153	1,247
Drowning Creek Fire Department	81,130	80,633	497
Enola Fire Department	114,100	113,874	226
George Hildebran Fire Department	290,700	290,680	20
Glen Alpine Fire Department	29,050	29,044	6
Icard Fire Department	654,500	653,819	681
Jonas Ridge Fire Department	176,220	176,183	37
Lake James Fire Department	344,150	343,976	174
Longtown Fire Department	152,750	152,368	382
Lovelady Fire Department	520,725	520,702	23
North Catawba Fire Department	23,375	23,225	150
Oak Hill Fire Department	426,700	426,450	250
Salem Fire Department	342,100	342,042	58
South Mountain Fire Department	100,300	100,300	-
Triple Community Fire Department	375,550	375,539	11
West End Fire Department	407,500	404,941	2,559
Total expenditures	<u>4,537,945</u>	<u>4,530,830</u>	<u>7,115</u>
Net change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

Burke County, North Carolina
Grant and Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual	Total to Date	Variance Favorable (Unfavorable)
<u>Overmountain Victory Trail</u>					
Revenues:					
Contributions	656,600	656,600	-	656,600	-
Total revenues	656,600	656,600	-	656,600	-
Expenditures:					
Program supplies	88,988	34,297	-	34,297	54,691
Easements	106,563	5,503	21,082	26,585	79,978
Improvements other than buildings	221,049	121,049	10,576	131,625	89,424
Grant match	240,000	-	-	-	240,000
Total expenditures	656,600	160,849	31,658	192,507	464,093
Subtotal revenues over/(under) expenditures	-	495,751	(31,658)	464,093	464,093
<u>Fonta Flora County Park and Trail</u>					
Revenues:					
Transfer from General Fund	850,500	837,000	13,500	850,500	-
State grants	1,340,000	540,151	69,358	609,509	(730,491)
Contributions	550,000	547,099	-	547,099	(2,901)
Interest	1,025	47,234	3,935	51,169	50,144
Total revenues	2,741,525	1,971,484	86,793	2,058,277	(683,248)
Expenditures:					
Supplies	68,782	55,282	12,118	67,400	1,382
Improvements other than buildings	2,672,743	1,721,128	146,097	1,867,225	805,518
Total expenditures	2,741,525	1,776,410	158,215	1,934,625	806,900
Subtotal revenues over/(under) expenditures	-	195,074	(71,422)	123,652	123,652
<u>BDI Water Tank</u>					
Revenues:					
County and City contributions	415,250	415,250	-	415,250	-
BDI contribution	228,000	7,500	220,500	228,000	-
NC Commerce IDF Grant	1,929,750	-	1,148,157	1,148,157	(781,593)
Total revenues	2,573,000	422,750	1,368,657	1,791,407	(781,593)
Expenditures:					
Construction	2,573,000	7,500	1,530,875	1,538,375	1,034,625
Total expenditures	2,573,000	7,500	1,530,875	1,538,375	1,034,625
Subtotal revenues over/(under) expenditures	-	415,250	(162,218)	253,032	253,032
Closed projects	-	1,871,668	(952,883)	918,785	(918,785)
Total revenues over/(under) expenditures	\$ -	\$ 2,562,493	\$ (1,218,181)	\$ 1,759,562	\$ (78,008)
Fund balance, beginning of year			\$ 2,562,493		
Fund balance, end of year			\$ 1,344,312		

Burke County, North Carolina
DSS Representative Payee Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Beneficiary payments	\$ 187,000	\$ 203,133	\$ 16,133
	<u>108,000</u>	<u>109,908</u>	<u>1,908</u>
	295,000	313,041	18,041
Total revenues	<u>295,000</u>	<u>313,041</u>	<u>18,041</u>
Expenditures:			
Adult clients	187,000	186,870	130
Child clients	<u>108,000</u>	<u>107,936</u>	<u>64</u>
	295,000	294,806	194
Total expenditures	<u>295,000</u>	<u>294,806</u>	<u>194</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>18,235</u>	<u>18,235</u>
Net change in fund balance	\$ <u>-</u>	18,235	\$ <u>18,235</u>
Fund balance, beginning of year, previously reported		-	
Prior period restatement - for change in accounting principle		<u>88,973</u>	
Fund balance, beginning of year, as restated		<u>88,973</u>	
Fund balance, end of year		\$ <u>107,208</u>	

Burke County, North Carolina
Deed of Trust Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees	\$ 62,900	\$ 62,861	\$ (39)
Total revenues	<u>62,900</u>	<u>62,861</u>	<u>(39)</u>
Expenditures:			
General government	<u>62,900</u>	<u>62,861</u>	<u>39</u>
Total expenditures	<u>62,900</u>	<u>62,861</u>	<u>39</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning of year, previously reported		-	
Prior period restatement - for change in accounting principle		<u>-</u>	
Fund balance, beginning of year, as restated		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

Burke County, North Carolina
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Crescent South Point fees	\$ 292,000	\$ 304,825	\$ -	\$ 304,825	\$ 12,825
Morganton Surcharges	90,100	364,372	25,023	389,395	299,295
Interest earnings	133,300	178,690	2,252	180,942	47,642
Total revenues	<u>515,400</u>	<u>847,887</u>	<u>27,275</u>	<u>875,162</u>	<u>359,762</u>
Expenditures:					
Economic and physical development	<u>752,400</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>502,400</u>
Total expenditures	<u>752,400</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>502,400</u>
Excess (deficiency) of revenues over expenditures	<u>(237,000)</u>	<u>597,887</u>	<u>27,275</u>	<u>625,162</u>	<u>862,162</u>
Other financing sources (uses):					
Transfers from other funds	187,000	197,334	-	197,334	10,334
Transfer from General Fund	50,000	71,999	(21,999)	50,000	-
Total other financing sources (uses)	<u>237,000</u>	<u>269,333</u>	<u>(21,999)</u>	<u>247,334</u>	<u>10,334</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>867,220</u>	5,276	\$ <u>872,496</u>	\$ <u>872,496</u>
Fund balance, beginning of year			<u>867,220</u>		
Fund balance, end of year		\$	<u>872,496</u>		

Burke County, North Carolina
 BCPS One-Half Cent Sales Tax Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental			
Other taxes and licenses-Sales tax	\$ 2,983,000	\$ 3,382,402	\$ 399,402
Fines and forfeitures	371,220	341,217	(30,003)
ABC Profits	90,000	136,764	46,764
	<u>3,444,220</u>	<u>3,860,383</u>	<u>416,163</u>
Interest earnings	<u>40,000</u>	<u>9,353</u>	<u>(30,647)</u>
Total revenues	<u>3,484,220</u>	<u>3,869,736</u>	<u>385,516</u>
Expenditures:			
Fines and forfeitures	371,220	370,885	335
Equipment	<u>3,363,000</u>	<u>3,362,119</u>	<u>881</u>
Total expenditures	<u>3,734,220</u>	<u>3,733,004</u>	<u>1,216</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>136,732</u>	<u>386,732</u>
Other financing sources (uses):			
Appropriated fund balance		-	-
Transfer from General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing sources (uses):	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>386,732</u>	<u>\$ 386,732</u>
Fund balance, beginning of year, previously reported		4,209,016	
Prior period restatement - for change in accounting principle		<u>29,668</u>	
Fund balance, beginning of year, as restated		<u>4,238,684</u>	
Fund balance, end of year		<u>\$ 4,625,416</u>	

Burke County, North Carolina
Water and Sewer Fund
Statement of Revenues and Expenditures Budget and Actual (NON-GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating revenues:			
Charges for services	\$ 1,765,750	\$ 1,723,440	\$ (42,310)
Total	<u>1,765,750</u>	<u>1,723,440</u>	<u>(42,310)</u>
Non-operating revenues:			
Miscellaneous revenue		9,288	
Contributed capital		518,142	
Investment earnings		1,544	
Total	<u>94,645</u>	<u>528,974</u>	<u>434,329</u>
Total revenues	<u>1,860,395</u>	<u>2,252,414</u>	<u>392,019</u>
Expenditures:			
Operations:			
Salaries and employee benefits		258,692	
Other operating expenditures		1,470,950	
Total operations	<u>1,729,965</u>	<u>1,729,642</u>	<u>323</u>
Capital outlay			
Capital outlay		7,759	
Total capital outlay	<u>8,000</u>	<u>7,759</u>	<u>241</u>
Debt service			
Principal on debt		68,771	
Total debt service	<u>68,835</u>	<u>68,771</u>	<u>64</u>
Total expenditures	<u>1,806,800</u>	<u>1,806,172</u>	<u>628</u>
Revenues under/(over) expenditures	<u>53,595</u>	<u>446,242</u>	<u>392,647</u>
Other financing sources (uses):			
Transfer to General Fund for debt payment	(184,745)	(184,745)	-
Transfer from Water/sewer Capital Project Fund	-	68,228	-
Gain/(Loss) on retirement of fixed assets	-	(124,717)	
Appropriated fund balance	131,150	-	(131,150)
Total other financing sources (uses)	<u>(53,595)</u>	<u>(241,234)</u>	<u>(187,639)</u>
Revenues over expenditures and other sources (uses)	<u>\$ -</u>	205,008	<u>\$ 205,008</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Increase in deferred outflow of resources - pensions and OPEB		43,160	
Increase in deferred inflow of resources - pensions and OPEB		(1,665)	
Increase in net pension liability		(47,597)	
Increase in OPEB liability		(52,377)	
Capital outlay		7,759	
Depreciation		(837,164)	
Principal payment on debt		68,771	
Increase in accrued compensated absences		(1,679)	
Total reconciling items		<u>(820,792)</u>	
Change in net position		<u>\$ (615,784)</u>	

Burke County, North Carolina
Water/Sewer Capital Project Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Eckard Creek Project					
Revenues:					
Restricted intergovernmental	\$ 1,634,000	\$ 1,370,528	\$ 247,685	\$ 1,618,213	\$ (15,787)
Interest earnings	<u>-</u>	<u>2,200</u>	<u>193</u>	<u>2,393</u>	<u>2,393</u>
Total revenues	<u>1,634,000</u>	<u>1,372,728</u>	<u>247,878</u>	<u>1,620,606</u>	<u>(13,394)</u>
Expenditures:					
Grant administration	57,680	53,193	3,880	57,073	607
Infrastructure	1,538,705	1,234,429	235,022	1,469,451	69,254
Engineering	<u>137,500</u>	<u>115,586</u>	<u>8,783</u>	<u>124,369</u>	<u>13,131</u>
Total expenditures	<u>1,733,885</u>	<u>1,403,208</u>	<u>247,685</u>	<u>1,650,893</u>	<u>82,992</u>
Excess (deficiency) of revenues over expenditures	<u>(99,885)</u>	<u>(30,480)</u>	<u>193</u>	<u>(30,287)</u>	<u>69,598</u>
Other financing sources (uses):					
Transfers from other funds	99,885	99,885	68,228	31,657	(68,228)
Transfer from General Fund	<u>-</u>	<u>90,000</u>	<u>91,370</u>	<u>(1,370)</u>	<u>(1,370)</u>
Total other financing sources (uses)	<u>99,885</u>	<u>189,885</u>	<u>159,598</u>	<u>30,287</u>	<u>(69,598)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>159,405</u>	(159,405)	\$ <u>-</u>	\$ <u>-</u>
Fund balance, beginning of year			<u>159,405</u>		
Fund balance, end of year			\$ <u>-</u>		

Burke County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures Budget and Actual (NON-GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 5,128,067	\$
Total operating revenues	<u>5,022,720</u>	<u>5,128,067</u>	<u>105,347</u>
Non-operating revenues:			
Miscellaneous revenue		444	
Investment earnings		4,398	
Restricted intergovernmental revenues		189,606	
Total non-operating revenues	<u>200,100</u>	<u>194,448</u>	<u>(5,652)</u>
Total revenues	<u>5,222,820</u>	<u>5,322,515</u>	<u>99,695</u>
Expenditures:			
Disposal operations:			
Salaries and employee benefits		697,990	
Other operating expenditures		3,740,273	
Total disposal operations	<u>4,467,240</u>	<u>4,438,263</u>	<u>28,977</u>
Collection operations:			
Salaries and employee benefits		470,040	
Other operating expenses		193,372	
Total collection operations	<u>826,455</u>	<u>663,412</u>	<u>163,043</u>
Capital outlay:			
Capital outlay		189,757	
Total capital outlay	<u>213,446</u>	<u>189,757</u>	<u>23,689</u>
Total expenditures	<u>5,507,141</u>	<u>5,291,432</u>	<u>215,709</u>
Revenues over/(under) expenditures	<u>(284,321)</u>	<u>31,083</u>	<u>315,404</u>
Other financing sources (uses):			
Sale of fixed assets	25,000	-	(25,000)
Transfer from General Fund	18,800	18,800	-
Appropriated fund balance	240,521	-	(240,521)
Total other financing sources (uses)	<u>284,321</u>	<u>18,800</u>	<u>(265,521)</u>
Revenues over expenditures and other sources (uses)	<u>\$ -</u>	49,883	<u>\$ 49,883</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Increase in deferred outflow of resources - pensions and OPEB		84,942	
Increase in deferred inflow of resources - pensions and OPEB		(490)	
Increase in net pension liability		(86,213)	
Increase in OPEB liability		(61,536)	
Capital outlay		189,757	
Depreciation		(362,689)	
Increase in closure and post-closure accrual		(63,247)	
Increase in accrued compensated absences		(12,610)	
Total reconciling items		<u>(312,086)</u>	
Change in net position		<u>\$ (262,203)</u>	

COMBINING FIDUCIARY FUND STATEMENTS -
CUSTODIAL FUNDS

Burke County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Inmate Commissary Fund	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 3,738	\$ 12,546	\$ 16,284
Taxes received for other governments, net	162,886	-	162,886
Total assets	<u>166,624</u>	<u>12,546</u>	<u>179,170</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to other governments	166,624	-	166,624
Total liabilities	<u>166,624</u>	<u>-</u>	<u>166,624</u>
NET POSITION			
Restricted for:			
Individuals and other governments	-	12,546	12,546
Total net position	<u>\$ -</u>	<u>\$ 12,546</u>	<u>\$ 12,546</u>

Burke County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Municipal Tax Fund	Inmate Commissary Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 2,494,426	\$ -	\$ 2,494,426
Collections on behalf of inmates	-	250,558	250,558
Total additions	<u>2,494,426</u>	<u>250,558</u>	<u>2,744,984</u>
DEDUCTIONS			
Tax distributions to other governments	\$ 2,626,987	\$ -	\$ 2,626,987
Payments on behalf of inmates	-	252,761	252,761
Total deductions	<u>2,626,987</u>	<u>252,761</u>	<u>2,879,748</u>
 Net increase (decrease) in fiduciary net position	 (132,561)	 (2,203)	 (134,764)
 Net position, beginning, as previously reported	 -	 -	 -
Prior period restatement - change in accounting principle	132,561	14,749	147,310
Net position, beginning, as restated	<u>132,561</u>	<u>14,749</u>	<u>147,310</u>
Net position, ending	<u>\$ -</u>	<u>\$ 12,546</u>	<u>\$ 12,546</u>

OTHER SCHEDULES

Burke County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2021

<u>Fiscal year:</u>	<u>Uncollected Balance 6/30/2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance 6/30/2021</u>
2020 - 2021	\$ -	\$ 51,867,085	\$ 51,217,161	\$ 649,924
2019 - 2020	815,072	-	570,137	244,935
2018 - 2019	270,197	-	130,799	139,398
2017 - 2018	146,821	-	45,987	100,834
2016 - 2017	116,705	-	31,741	84,964
2015 - 2016	87,860	-	20,036	67,824
2014 - 2015	79,276	-	9,575	69,701
2013 - 2014	94,180	-	5,767	88,413
2012 - 2013	73,804	-	2,371	71,433
2011 - 2012	57,819	-	1,285	56,534
2010 - 2011	58,515	-	58,515	-
	<u>\$ 1,800,249</u>	<u>\$ 51,867,085</u>	<u>\$ 52,093,374</u>	<u>1,573,960</u>
Plus: 2020 - 2021 receivable				40,380
Less: Allowance for uncollectible accounts General Fund				<u>(719,000)</u>
Ad valorem taxes receivable - net General Fund				<u>\$ 895,340</u>

Reconcilement with revenues:

Ad valorem taxes - General Fund		\$ 51,068,117
Reconciling items:		
Advertising and interest collected	459,643	
Discounts	(572,710)	
Prior year collections	813,407	
Taxes written off	73,459	
Prior year releases	251,458	
Total reconciling items		<u>1,025,257</u>
Total collections and credits		<u>\$ 52,093,374</u>

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Burke County, North Carolina
 Analysis of Current Tax Levy
 County-wide Levy
 For the Year Ended June 30, 2021

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio	100%
Real Property	\$ 6,449,329,034
Personal Property	706,102,908
Public Service Companies	<u>273,406,352</u>
Total Assessed Valuation	\$ <u>7,428,838,294</u>
Tax Rate per \$100	0.695
Net Levy (Includes penalties, discoveries, releases and abatements)	\$ <u><u>51,867,085</u></u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2021:

Fire Protection District	Tax Rate per \$100	Net Levy
Brendleton Fire District	0.105	\$ 278,972
Carbon City Fire District	0.080	9,609
Chesterfield Fire District	0.090	134,993
Drowning Creek Fire District	0.120	68,693
Enola Fire District	0.105	95,736
George Hildebran Fire District	0.110	241,826
Glen Alpine Fire District	0.080	137,293
Icard Fire District	0.080	571,064
Jonas Ridge Fire District	0.080	165,606
Lake James Fire District	0.100	215,090
Longtown Fire District	0.135	148,605
Lovelady Fire District	0.080	464,817
Oak Hill Fire District	0.120	366,036
Salem Fire District	0.105	289,882
Smokey Creek Fire District	0.118	29,852
South Mountain Fire District	0.136	86,862
Triple Community Fire District.	0.078	317,213
West End Fire District	0.110	<u>355,681</u>
Total Net Fire Protection District Levies		\$ <u><u>3,977,830</u></u>

Burke County, North Carolina
 Ten Largest Taxpayers
 For the Year Ended June 30, 2021

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation	
Duke Energy Corp	Utility	\$ 161,120,729	2.17	%
Continental Automotive Systems	Manufacturing	120,957,120	1.63	
Walmart Real Estate	Retail	55,416,755	0.75	
Rutherford Electric Membership Corp	Utility	42,376,585	0.57	
SGL Carbon LLC	Manufacturing	40,910,591	0.55	
Case Farms	Food Processing	35,757,808	0.48	
ARCP MT Morganton NC LLC	Retail	34,395,416	0.46	
Leviton Manufacturing Co LLC	Manufacturing	29,748,043	0.40	
Seiren North America LLC	Manufacturing	24,551,441	0.33	
SAFT America, Inc	Manufacturing	20,594,582	0.28	
		<hr/>		
		\$ 565,829,070	7.62	%
		<hr/>		

Burke County, North Carolina
 Analysis of Current Tax Levy
 Fire Districts
 For the Year Ended June 30, 2021

	Brendleton Fire District	Carbon City District	Chesterfield Fire District	Drowning Creek Fire District	Enola Fire District	George Hildebran Fire District
Tax rate	<u>0.105</u>	<u>0.08</u>	<u>0.09</u>	<u>0.12</u>	<u>0.105</u>	<u>0.11</u>
Net levy	\$ 278,972	\$ 9,609	\$ 134,993	\$ 68,693	\$ 95,736	\$ 241,826
Uncollected taxes at June 30, 2021	<u>5,101</u>	<u>159</u>	<u>3,876</u>	<u>2,051</u>	<u>1,806</u>	<u>4,876</u>
Current year's taxes collected	<u>\$ 273,871</u>	<u>\$ 9,450</u>	<u>\$ 131,117</u>	<u>\$ 66,642</u>	<u>\$ 93,930</u>	<u>\$ 236,950</u>
Current levy collection percentage	<u>98.17%</u>	<u>98.35%</u>	<u>97.13%</u>	<u>97.01%</u>	<u>98.11%</u>	<u>97.98%</u>

	Glen Alpine District	Icard Fire District	Jonas Ridge Fire District	Lake James District	Longtown District	Lovelady Fire District
Tax rate	<u>0.10</u>	<u>0.10</u>	<u>0.135</u>	<u>0.08</u>	<u>0.12</u>	<u>0.105</u>
Net levy	\$ 137,293	\$ 571,064	\$ 165,606	\$ 215,090	\$ 148,605	\$ 464,817
Uncollected taxes at June 30, 2021	<u>678</u>	<u>11,778</u>	<u>1,896</u>	<u>2,359</u>	<u>955</u>	<u>6,550</u>
Current year's taxes collected	<u>\$ 136,615</u>	<u>\$ 559,286</u>	<u>\$ 163,710</u>	<u>\$ 212,731</u>	<u>\$ 147,650</u>	<u>\$ 458,267</u>
Current levy collection percentage	<u>99.51%</u>	<u>97.94%</u>	<u>98.86%</u>	<u>98.90%</u>	<u>99.36%</u>	<u>98.59%</u>

	Oak Hill District	Salem District	Smokey Creek Fire District	South Mountain Fire District	Triple Community Fire District	West End Fire District
Tax rate	<u>0.09</u>	<u>0.07</u>	<u>0.118</u>	<u>0.136</u>	<u>0.078</u>	<u>0.11</u>
Net levy	\$ 366,036	\$ 289,882	\$ 29,852	\$ 86,862	\$ 317,213	\$ 355,681
Uncollected taxes at June 30, 2021	<u>5,199</u>	<u>4,829</u>	<u>241</u>	<u>4,426</u>	<u>5,460</u>	<u>5,267</u>
Current year's taxes collected	<u>\$ 360,837</u>	<u>\$ 285,053</u>	<u>\$ 29,611</u>	<u>\$ 82,436</u>	<u>\$ 311,753</u>	<u>\$ 350,414</u>
Current levy collection percentage	<u>98.58%</u>	<u>98.33%</u>	<u>99.19%</u>	<u>94.90%</u>	<u>98.28%</u>	<u>98.52%</u>

STATISTICAL SECTION

The information presented in this section does not provide full and adequate disclosure of financial information for prior years required by generally accepted accounting principles. Such information is provided for supplementary analysis purposes and should be relied on only for the purpose specified.

Table

Financial Trends

1-4

These schedules contain trend information to help the reader understand how the government's financial performance and well-being has changed over time.

Revenue Capacity

5-8

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

9-11

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

12-13

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

14-15

This schedule contains 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

BURKE COUNTY, NORTH CAROLINA
Net Position by Component of Government
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	Fiscal Year 2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ (131,445)	\$ 1,716	\$ 8,914,569	\$28,877,694	\$23,700,967	\$29,414,660	\$30,475,792	\$39,335,032	\$41,891,855	\$37,852,760
Restricted	11,657,246	9,832,150	17,298,374	14,416,622	16,950,142	39,835,828	44,031,117	25,017,233	26,679,140	30,168,938
Unrestricted	(31,347,877)	(26,218,548)	(25,465,159)	(22,512,116)	(9,531,498)	(32,009,003)	(56,304,520)	(44,400,888)	(38,428,138)	(28,190,888)
Total governmental activities net position	<u>\$ (19,822,076)</u>	<u>\$ (16,384,682)</u>	<u>\$ 747,784</u>	<u>\$20,782,200</u>	<u>\$31,119,611</u>	<u>\$37,241,485</u>	<u>\$18,202,389</u>	<u>\$19,951,377</u>	<u>\$30,142,857</u>	<u>\$39,830,810</u>
Business-type activities										
Net investment in capital assets	20,081,255	19,643,017	18,863,966	18,716,461	18,870,527	18,303,046	17,978,011	17,473,775	19,091,140	18,551,001
Unrestricted	(2,214,790)	(2,077,455)	(2,337,457)	(3,117,615)	(4,261,873)	(4,056,278)	(3,539,869)	(3,573,676)	(3,791,993)	(4,289,246)
Total business-type activities	<u>\$ 17,866,465</u>	<u>\$ 17,565,562</u>	<u>\$ 16,526,509</u>	<u>\$15,598,846</u>	<u>\$14,608,654</u>	<u>\$14,246,768</u>	<u>\$14,438,142</u>	<u>\$13,900,099</u>	<u>\$15,299,147</u>	<u>\$14,261,755</u>
Primary government										
Net investment in capital assets	19,949,810	19,644,733	27,778,535	47,594,155	42,571,494	47,717,706	48,453,803	56,808,807	60,982,995	56,403,761
Restricted	11,657,246	9,832,150	17,298,374	14,416,622	16,950,142	39,835,828	44,031,117	25,017,233	26,753,785	30,168,938
Unrestricted	(33,562,667)	(28,296,003)	(27,802,616)	(25,629,731)	(13,793,371)	(36,065,281)	(59,844,389)	(47,974,564)	(42,294,776)	(32,480,134)
Total primary government net position	<u>\$ (1,955,611)</u>	<u>\$ 1,180,880</u>	<u>\$ 17,274,293</u>	<u>\$36,381,046</u>	<u>\$45,728,265</u>	<u>\$51,488,253</u>	<u>\$32,640,531</u>	<u>\$33,851,476</u>	<u>\$45,442,004</u>	<u>\$54,092,565</u>

BURKE COUNTY, NORTH CAROLINA
Changes in Net Position, accrual basis of accounting
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	Fiscal Year 2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 7,714,712	\$ 8,603,392	\$ 8,612,488	\$ 6,833,477	\$ 9,158,876	\$ 9,353,345	\$ 9,625,513	\$ 9,661,377	\$ 10,453,824	\$ 10,623,348
Public safety	17,675,525	18,552,637	19,016,754	15,016,283	21,943,196	22,806,814	23,154,608	26,027,584	29,506,814	32,233,510
Transportation	36,871	36,058	32,902	47,048	42,462	33,986	53,173	67,566	67,539	70,850
Economic and physical development	4,506,914	2,467,326	2,403,200	2,794,816	2,420,451	2,144,022	2,769,354	3,085,936	4,257,274	3,234,480
Environmental protection	245,439	116,207	114,927	57,180	91,475	69,458	162,446	539,363	591,599	596,951
Human services	18,742,962	18,324,701	18,295,759	20,162,722	18,428,394	21,477,512	19,850,366	20,535,142	21,621,693	26,246,546
Cultural and recreation	1,814,636	2,067,025	1,852,201	1,419,663	1,969,715	2,146,219	2,989,309	2,261,645	2,968,954	1,874,753
Education	18,431,125	17,820,570	18,050,716	19,698,669	19,948,678	23,300,034	36,000,244	24,964,134	24,279,078	22,462,944
Interest on long term debt	2,601,862	2,248,359	2,000,040	1,448,943	1,258,353	1,265,300	1,994,615	2,426,744	126,734	1,975,289
Total governmental activities	71,770,046	70,236,275	70,378,987	67,478,801	75,261,600	82,596,690	96,599,628	89,569,491	93,873,509	99,318,671
Business-type activities:										
Water and Sewer	1,737,958	1,833,137	1,850,076	1,767,771	1,842,328	1,797,462	1,776,450	2,087,220	3,357,292	2,874,649
Solid Waste	3,991,111	3,974,264	4,370,609	4,319,326	4,521,716	5,503,959	4,666,253	5,427,254	5,292,781	5,603,518
Interest on long term debt	4,296	14,489	10,384	6,279	2,173	-	-	-	-	-
Total business-type activities	5,733,365	5,821,890	6,231,069	6,093,376	6,366,217	7,301,421	6,442,703	7,514,474	8,650,073	8,478,167
Total primary government expenses	77,503,411	76,058,165	76,610,056	73,572,177	81,627,817	89,898,111	103,042,331	97,083,965	102,523,582	107,796,838
Program Revenues										
Governmental activities:										
Charges for services:										
General government	732,325	904,261	1,086,041	1,257,864	1,630,055	1,695,598	1,074,020	729,051	927,520	420,588
Public safety	4,383,468	3,798,048	4,538,319	4,201,356	4,308,446	4,263,138	3,971,435	4,687,337	4,412,027	4,184,649
Economic and physical development	-	-	-	-	-	-	-	263,291	-	233,691
Environmental protection	79,032	77,832	79,004	94,008	85,969	109,984	101,828	21,413	25,140	-
Human services	1,408,450	1,341,262	1,271,222	934,318	1,068,701	1,318,335	1,208,862	683,988	324,135	883,697
Cultural and recreation	140,385	118,410	92,422	95,861	93,355	98,252	98,814	109,886	81,575	57,116
Operating grants and contributions:										
General government	4,920	6,198	38,496	308,070	69,180	106,679	12,836	352,751	318,231	981,367
Public safety	-	-	-	-	-	-	-	2,511,258	1,252,002	2,309,188
Economic and physical development	-	-	-	-	-	-	-	725,683	1,291,592	1,368,657
Environmental protection	-	-	-	24,650	-	-	-	31,494	30,835	57,755
Human services	12,413,532	12,844,453	11,882,418	13,706,435	12,266,560	15,043,204	12,162,765	12,472,558	12,139,853	17,108,345
Cultural and recreation	-	-	-	-	547,099	694,527	-	460,357	151,802	238,772
Education	75,946	69,402	67,592	63,202	66,759	10,747	9,406	333,856	-	477,981
Capital grants and contributions:										
General government	198,973	69,880	40,149	-	297,572	291,338	280,309	-	25,257	-
Public safety	561,109	659,181	6,492,601	1,268,009	913,547	130,751	726,725	277,934	92,193	-
Economic and physical development	1,979,363	522,266	286,824	896,996	503,420	562,433	483,449	-	966,926	-
Environmental protection	136,864	-	-	-	-	-	-	-	415,250	-
Cultural and recreation	628,638	266,727	426,070	409,209	467,037	629,251	695,481	408,466	423,476	-
Education	3,569,077	1,489,176	1,167,134	-	1,069,626	-	1,695,000	5,492,746	3,332,824	40,922
Total governmental activities program revenues	26,312,082	22,167,096	27,468,292	23,259,978	23,387,326	24,954,237	22,520,930	29,562,069	26,210,638	28,362,728

BURKE COUNTY, NORTH CAROLINA
Changes in Net Position, accrual basis of accounting
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues (Continued)										
Business-type activities:										
Charge for services	5,658,703	5,935,834	5,591,903	5,635,323	5,740,022	6,023,037	6,663,581	6,914,316	6,540,773	6,851,507
Operating Grants and Contributions	-	-	-	-	-	-	-	118,986	217,576	189,606
Capital grants and contributions	-	-	-	-	-	333,328	64,785	-	3,487,729	765,827
Total business-type activities program revenues	5,658,703	5,935,834	5,591,903	5,635,323	5,740,022	6,356,365	6,728,366	7,033,302	10,246,078	7,806,940
Total primary government program revenues	31,970,785	28,102,930	33,060,195	28,895,301	29,127,348	31,310,602	29,249,296	36,595,371	36,456,716	36,169,668
Net (Expense)/Revenue										
Governmental activities	(45,457,970)	(48,069,179)	(42,910,695)	(44,218,823)	(51,874,274)	(57,642,453)	(57,642,453)	(58,984,834)	(67,662,871)	(70,955,943)
Business-type activities	(74,663)	113,944	(639,166)	(458,053)	(626,195)	(945,056)	(945,056)	(481,172)	1,596,005	(671,227)
Total primary government net (expense)/revenue	(45,532,633)	(47,955,235)	(43,549,861)	(44,676,876)	(52,500,469)	(58,587,509)	(58,587,509)	(59,466,006)	(66,066,866)	(71,627,170)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	37,979,191	38,551,628	47,140,118	46,814,869	47,493,525	48,277,055	49,453,349	50,774,360	55,318,275	56,036,350
Local option sales tax	9,945,486	10,402,633	10,383,066	11,206,100	12,423,005	13,440,643	14,487,614	7,516,853	13,849,829	19,481,973
Other taxes and licenses	536,955	502,339	592,661	1,405,309	1,529,053	1,805,203	1,797,437	4,076,594	4,310,296	1,659,367
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	2,486,153	3,045,818	2,976,500
Permits and fees	1,357,749	1,598,811	1,565,556	87,587	86,807	-	-	-	-	-
Investment earnings	(38,533)	12,425	19,283	13,788	77,857	201,304	721,510	626,920	505,599	123,774
Gain/(Loss) on disposal of fixed assets	-	-	-	-	-	-	-	-	-	(273,111)
Miscellaneous	478,443	20,095	(74,115)	283,831	180,020	1,722,039	1,940,696	77,497	604,324	263,087
Transfers	475,322	418,642	416,591	400,906	421,418	(539,678)	(95,518)	98,141	220,210	257,315
Total governmental activities:	50,734,613	51,506,573	60,043,160	60,212,390	62,211,685	64,906,566	68,305,088	65,656,518	77,854,351	80,525,255
Business-type activities:										
Investment earnings	2,912	2,930	2,725	2,286	4,896	10,569	23,146	32,178	18,662	6,135
Gain/(Loss) on disposal of fixed assets	-	-	-	-	-	-	-	-	-	(124,717)
Miscellaneous	(3,829)	866	13,977	6,493	52,523	32,922	54,525	9,093	4,591	9,732
Transfers	(475,322)	(418,642)	(416,591)	(400,906)	(421,418)	539,678	95,518	(98,141)	(220,210)	(257,315)
Total business-type activities	(476,239)	(414,846)	(399,889)	(392,127)	(363,999)	583,169	173,189	(56,870)	(196,957)	(366,165)
Total primary government	50,258,374	51,091,727	59,643,271	59,820,263	61,847,686	65,489,735	68,478,277	65,599,648	77,657,394	80,159,090
Change in Net Position										
Governmental activities	5,276,643	3,437,394	17,132,465	15,993,567	10,337,411	7,264,113	(5,773,610)	5,649,096	10,191,480	9,569,312
Business-type activities	(550,903)	(300,902)	(1,039,053)	(850,178)	(990,194)	(361,887)	458,851	(538,042)	1,399,048	(1,037,392)
Total primary government	\$ 4,725,740	\$ 3,136,492	\$ 16,093,412	\$ 15,143,389	\$ 9,347,217	\$ 6,902,226	\$ (5,314,759)	\$ 5,111,054	\$ 11,590,528	\$ 8,531,920

Table 3

BURKE COUNTY, NORTH CAROLINA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Prepaid expenses	\$ 52,938	\$ 61,351	\$ 41,038	\$ 58,671	\$ 77,571	\$ 90,490	\$ 115,331	\$ -	\$ -	\$ -
State statute	4,012,526	4,100,602	8,048,183	4,431,848	4,286,681	4,619,898	4,617,019	6,804,197	5,476,678	4,776,275
Restricted, all others	413,226	458,594	534,922	793,703	781,742	641,232	683,725	408,976	303,455	367,707
Committed	23,947	15,476	43,705	35,075	39,195	51,182	283,747	-	-	5,000
Assigned	2,927,527	241,180	1,702,220	433,400	2,682,400	979,769	2,213,911	1,338,885	1,816,960	2,014,370
Unassigned	6,742,503	10,564,782	7,197,076	12,351,795	13,673,602	15,874,461	15,224,971	16,987,127	19,179,039	29,001,012
Total General Fund	<u>\$ 14,172,667</u>	<u>\$ 15,441,985</u>	<u>\$ 17,567,144</u>	<u>\$ 18,104,492</u>	<u>\$ 21,541,191</u>	<u>\$ 22,257,032</u>	<u>\$ 23,138,704</u>	<u>\$ 25,539,185</u>	<u>\$ 26,776,132</u>	<u>\$ 36,164,364</u>
All Other Governmental Funds										
State statute	\$ 3,126,519	\$ 1,778,452	\$ 1,753,591	\$ 2,174,649	\$ 1,952,691	\$ 1,916,204	\$ 3,410,584	\$ -	\$ -	\$ -
Restricted, all others	4,104,975	3,479,026	6,917,973	6,174,877	8,378,967	30,703,589	17,359,447	17,588,435	20,805,032	24,879,092
Committed	-	-	-	815,733	1,514,283	1,712,451	17,488,037	6,584,984	2,562,493	1,344,312
Unassigned	(290,782)	851,744	-	-	-	-	-	-	-	1,518
Total all other governmental funds	<u>\$ 6,940,712</u>	<u>\$ 6,109,222</u>	<u>\$ 8,671,564</u>	<u>\$ 9,165,259</u>	<u>\$ 11,845,941</u>	<u>\$ 34,332,244</u>	<u>\$ 38,258,068</u>	<u>\$ 24,173,419</u>	<u>\$ 23,367,525</u>	<u>\$ 26,224,922</u>

Table 4

BURKE COUNTY, NORTH CAROLINA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes:										
Ad valorem taxes	\$ 37,977,423	\$ 38,513,260	\$ 47,188,565	\$ 46,792,188	\$ 47,451,409	\$ 48,236,424	\$ 49,453,349	\$ 50,363,670	\$ 54,562,742	\$ 56,299,287
Other taxes and licenses	10,482,441	10,904,972	10,975,727	11,887,592	13,147,669	14,297,959	15,496,685	11,593,447	18,160,125	21,141,340
Total taxes	48,459,864	49,418,232	58,164,292	58,679,780	60,599,078	62,534,383	64,950,034	61,957,117	72,722,867	77,440,627
Intergovernmental	19,468,841	15,858,648	20,478,502	16,434,286	15,333,084	16,415,876	14,594,961	24,349,691	23,703,948	23,245,165
Permits and fees	7,402,154	6,968,380	7,366,719	6,362,705	6,740,814	7,026,985	6,939,431	1,997,693	1,454,379	2,713,008
Sales and services	986,966	1,012,714	1,060,083	1,711,033	2,022,702	2,216,557	2,168,914	4,136,183	4,497,997	4,542,140
Investment earnings	(38,533)	14,110	19,284	13,788	77,856	201,307	721,510	1,242,695	858,840	177,858
Other revenues	78,601	780	84,331	4,113	547,099	2,826,663	1,774,256	760,681	383,473	664,258
Total Revenues	76,357,893	73,272,864	87,173,211	83,205,705	85,320,633	91,221,771	91,149,106	94,444,060	103,621,504	108,783,056
Expenditures										
General Government	5,359,095	6,640,310	8,784,084	7,182,649	6,722,558	6,798,263	7,207,538	8,635,213	10,928,446	9,140,460
Public Safety	16,909,932	17,918,323	25,172,906	22,207,984	21,773,827	21,898,933	28,737,879	37,265,686	32,603,733	28,068,923
Transportation	32,212	32,212	32,212	42,631	50,075	41,599	54,582	67,566	67,539	70,850
Economic and physical development	4,422,695	2,390,529	2,367,984	2,725,553	2,400,436	2,125,886	2,771,483	3,084,281	4,253,444	3,231,012
Environmental protection	241,283	115,999	120,574	104,461	105,047	108,873	112,978	488,206	530,063	555,613
Human services	18,691,357	18,066,581	18,273,999	20,283,094	18,983,962	21,734,490	19,653,152	19,791,351	20,445,022	24,783,061
Cultural and recreational	1,681,714	1,929,893	1,772,233	2,339,972	2,077,150	5,313,207	2,943,451	3,087,798	3,170,756	2,296,262
Education	18,431,125	17,820,570	18,050,716	19,853,068	19,948,677	23,300,034	36,000,244	24,964,134	23,065,093	22,462,944
Other expenses	2,011,018	1,796,117	1,716,744	1,487,955	1,469,788	1,611,686	1,630,814	-	-	-
Debt Service:										
Principal	4,552,465	4,399,933	11,472,731	5,060,490	5,011,167	4,761,167	5,543,333	6,355,000	6,210,000	6,080,000
Interest and other charges	2,676,041	2,481,213	2,211,632	1,287,714	1,081,981	890,807	1,570,638	2,430,906	2,188,208	1,999,465
Total Expenditures	75,008,937	73,591,680	89,975,815	82,575,571	79,624,669	88,584,946	106,226,093	106,170,141	103,462,304	98,688,590
Excess of revenues over (under) expenditures	1,348,956	(318,816)	(2,802,604)	630,134	5,695,964	2,636,825	(15,076,987)	(11,726,081)	159,200	10,094,466
Other Financing Sources (Uses)										
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	83,876	50,643	1,776,206
Transfers in	8,728,455	10,127,511	6,273,153	7,491,127	6,170,460	8,595,007	8,510,561	9,846,634	9,218,292	9,751,197
Transfers out	(8,253,133)	(9,708,867)	(5,856,563)	(7,090,221)	(5,749,042)	(9,134,685)	(8,606,078)	(9,888,565)	(8,998,082)	(9,493,882)
Issuance of debt	-	338,000	7,073,517	-	-	21,075,000	20,010,000	-	-	-
Lease principal payments	138,495	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	613,817	756,644	7,490,107	400,906	421,418	20,535,322	19,914,483	41,945	270,853	2,033,521
Net change in fund balances	\$ 1,962,773	\$ 437,828	\$ 4,687,503	\$ 1,031,040	\$ 6,117,382	\$ 23,172,147	\$ 4,837,496	\$ (11,684,136)	\$ 430,053	\$ 12,127,987

Table 5

BURKE COUNTY, NORTH CAROLINA
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service Companies (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Market Value (3)
2012	5,413,307,614	1,122,129,705	201,007,104	6,736,444,423	0.520	5,865,428,318
2013	5,451,446,487	1,203,039,254	228,510,412	6,882,996,153	0.520	6,846,708,597
2014	4,878,822,675	1,155,969,001	215,312,709	6,250,104,385	0.680	6,142,608,732
2015	4,953,868,463	1,085,185,781	222,954,856	6,262,009,100	0.680	6,296,640,623
2016	4,980,609,649	1,260,195,412	243,102,733	6,483,907,794	0.680	6,759,703,705
2017	5,238,103,946	1,168,827,778	248,533,718	6,655,465,442	0.680	7,068,251,319
2018	5,296,190,556	1,604,352,580	262,245,785	7,162,788,921	0.695	7,607,042,912
2019	5,767,661,364	680,452,235	260,557,693	6,708,671,292	0.695	7,124,763,998
2020	6,209,332,377	677,094,548	272,652,164	7,159,079,089	0.695	8,072,935,373
2021	6,449,329,034	706,102,908	273,406,352	7,428,838,294	0.695	8,604,167,586

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

(1) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

(2) Per \$100 of value.

(3) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. NCDOR website (Median).

get the newest sales ratio for formula in column M from tax-danny

Table 6

BURKE COUNTY, NORTH CAROLINA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2012	2013	2014 (1)	2015	2016	2017	2018	2019 (1)	2020	2021
County Direct Rates										
Burke County	\$ 0.520	\$ 0.520	\$ 0.680	\$ 0.680	\$ 0.680	\$ 0.680	\$ 0.695	\$ 0.695	\$ 0.695	\$ 0.695
<u>Municipality Rates:</u>										
City of Hickory	0.500	0.500	0.500	0.500	0.567	0.567	0.567	0.588	0.575	0.575
City of Morganton	0.460	0.480	0.530	0.530	0.530	0.530	0.570	0.570	0.570	0.570
Special Downtown Morganton	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140
Town of Connelly Springs	0.130	0.130	0.130	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Town of Drexel	0.320	0.320	0.380	0.380	0.380	0.380	0.380	0.380	0.380	0.380
Town of Glen Alpine	0.270	0.300	0.300	0.300	0.405	0.405	0.370	0.350	0.350	0.350
Town of Hildebran	0.222	0.222	0.222	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Town of Long View	0.400	0.400	0.420	0.420	0.420	0.520	0.570	0.570	0.570	0.570
Town of Rhodhiss	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Town of Rutherford College	0.180	0.180	0.180	0.100	0.100	0.100	0.100	0.120	0.120	0.120
Town of Valdese	0.400	0.400	0.485	0.485	0.485	0.545	0.545	0.545	0.545	0.545
<u>Fire Districts:</u>										
Brendletown	0.066	0.066	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.105
Carbon City	0.074	0.074	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Chesterfield	0.080	0.080	0.080	0.080	0.080	0.080	0.090	0.090	0.090	0.090
Drowning Creek	0.102	0.102	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120
Enola	0.092	0.092	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
George Hildebran	0.068	0.068	0.090	0.090	0.090	0.090	0.110	0.110	0.110	0.110
Glen Alpine	0.060	0.060	0.060	0.060	0.080	0.080	0.080	0.080	0.080	0.100
Icard	0.072	0.072	0.088	0.088	0.088	0.088	0.100	0.100	0.100	0.100
Jonas Ridge	0.120	0.120	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.135
Lake James	0.060	0.060	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Longtown	0.150	0.150	0.150	0.150	0.150	0.120	0.120	0.120	0.120	0.120
Lovelady	0.080	0.080	0.095	0.095	0.095	0.095	0.105	0.105	0.105	0.105
Oak Hill	0.080	0.080	0.080	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Salem	0.058	0.058	0.065	0.065	0.065	0.065	0.070	0.070	0.070	0.070
Smokey Creek	0.088	0.088	0.088	0.118	0.118	0.118	0.118	0.118	0.118	0.118
South Mountain	0.113	0.113	0.136	0.136	0.136	0.136	0.136	0.136	0.136	0.136
Triple Community	0.071	0.071	0.078	0.078	0.078	0.078	0.078	0.078	0.078	0.078
West End	0.070	0.070	0.100	0.100	0.100	0.100	0.100	0.110	0.110	0.110

(1) Revaluation years.

(2) The rates are shown per \$100 of taxable value. All taxable property is subject to the county-wide tax. Real property is reappraised at 100% of fair market value every six years. Personal property is reappraised annually at 100% of fair market value.

Table 7

BURKE COUNTY, NORTH CAROLINA
Principal Property Tax Payers,
Current Year and Ten Years Ago

Taxpayer	Type of Business	Fiscal Year 2021			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Corp	Electric utility	\$ 161,120,729	1	2.17%	\$ 87,594,464	1	1.35%
Continental Automotive Systems	Tire manufacturing	120,957,120	2	1.63%	68,252,225	2	1.05%
Walmart Real Estate	Retail	55,416,755	3	0.75%	34,125,103	5	0.52%
Rutherford EMC	Electric membership co-op	42,376,585	4	0.57%	36,820,413	4	0.57%
SGL Carbon LLC	Carbon manufacturing	40,910,591	5	0.55%			
Case Farms Processing Inc.	Food processing	35,757,808	6	0.48%	22,161,956	9	0.34%
ARCP MT Morganton NC LLC	Retail	34,395,416	7	0.46%			
Leviton Mfg. Co. Inc.	Manufacturing	29,748,043	8	0.40%			
Sieren North America LLC	Manufacturing	24,551,441	9	0.33%			
SAFT America, Inc	Manufacturing	20,594,582	10	0.28%			
Carolina Centers LLC	Real Estate				41,620,324	3	0.64%
Viscotec	Automotive parts manufacturing				22,182,319	8	0.34%
Sypris Technologies Inc.	Manufacturing				32,807,506	6	0.50%
Gerresheimer Glass, Inc.	Manufacturing				22,956,907	7	0.35%
Bellsouth Telephone Company	Utility				21,917,116	10	0.34%
Totals		<u>\$ 565,829,070</u>		<u>7.62%</u>	<u>\$ 390,438,333</u>		<u>6.00%</u>

Table 8

BURKE COUNTY, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percentage of Original Levy	Collections in Subsequent Years	Total Collections to Date	Percentage of Adjusted Levy
2012	\$ 35,089,376	\$ 33,948,471	96.75%	\$ 1,084,371	\$ 35,032,842	99.84%
2013	\$ 35,791,580	\$ 34,511,075	96.42%	\$ 1,209,072	\$ 35,720,147	99.80%
2014	\$ 43,900,065	\$ 42,807,902	97.51%	\$ 1,003,750	\$ 43,811,652	99.80%
2015	\$ 44,127,461	\$ 43,203,344	97.91%	\$ 854,416	\$ 44,057,760	99.84%
2016	\$ 44,151,751	\$ 43,289,007	98.05%	\$ 794,920	\$ 44,083,927	99.85%
2017	\$ 45,340,513	\$ 44,465,034	98.07%	\$ 790,515	\$ 45,255,549	99.81%
2018	\$ 49,861,915	\$ 49,154,063	98.58%	\$ 607,018	\$ 49,761,081	99.80%
2019	\$ 46,841,472	\$ 45,998,431	98.20%	\$ 703,643	\$ 46,702,074	99.70%
2020	\$ 49,808,133	\$ 48,993,061	98.36%	\$ 570,137	\$ 49,563,198	99.51%
2021	\$ 51,867,085	\$ 51,217,161	98.75%	\$ -	\$ 51,217,161	98.75%

Source: Burke County Tax Department

Table 9

BURKE COUNTY, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Certificates of Participation or Limited Obligation Bonds	Installment Loans	Installment Loans				
2012	\$ 3,975,000	\$ 40,585,000	\$ 9,434,821	\$ 332,214	\$	54,327,035	604	2.10%
2013	\$ 3,570,000	\$ 37,680,000	\$ 8,682,888	\$ 290,350	\$	50,223,238	562	1.95%
2014	\$ 3,235,000	\$ 37,720,000	\$ 7,705,157	\$ 248,487	\$	48,908,644	551	1.83%
2015	\$ 2,770,000	\$ 34,350,000	\$ 6,470,667	\$ 211,739	\$	43,802,406	493	1.57%
2016	\$ 2,305,000	\$ 30,985,000	\$ 5,289,500	\$ 169,875	\$	38,749,375	436	1.34%
2017	\$ 1,840,000	\$ 48,670,000	\$ 4,383,333	\$ 157,741	\$	55,051,074	611	1.81%
2018	\$ 1,425,000	\$ 64,290,000	\$ 3,645,000	\$ 145,607	\$	69,505,607	776	2.20%
2019	\$ 1,020,000	\$ 58,995,000	\$ 2,990,000	\$ 133,473	\$	63,138,473	698	1.93%
2020	\$ 725,000	\$ 53,725,000	\$ 2,345,000	\$ 121,340	\$	56,916,340	650	-
2021	\$ 475,000	\$ 48,535,000	\$ 1,705,000	\$ 1,185,318	\$	51,900,318	-	-

* Information not yet available

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

(1) See Table 12 for personal income and population data. These ratios are calculated using personal income and the prior calendar year.

Table 9

BURKE COUNTY, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Certificates of Participation or Limited Obligation Bonds	Installment Loans	Installment Loans				
2012	\$ 3,975,000	\$ 40,585,000	\$ 9,434,821	\$ 332,214	\$	54,327,035	604	2.10%
2013	\$ 3,570,000	\$ 37,680,000	\$ 8,682,888	\$ 290,350	\$	50,223,238	562	1.95%
2014	\$ 3,235,000	\$ 37,720,000	\$ 7,705,157	\$ 248,487	\$	48,908,644	551	1.83%
2015	\$ 2,770,000	\$ 34,350,000	\$ 6,470,667	\$ 211,739	\$	43,802,406	493	1.57%
2016	\$ 2,305,000	\$ 30,985,000	\$ 5,289,500	\$ 169,875	\$	38,749,375	436	1.34%
2017	\$ 1,840,000	\$ 48,670,000	\$ 4,383,333	\$ 157,741	\$	55,051,074	611	1.81%
2018	\$ 1,425,000	\$ 64,290,000	\$ 3,645,000	\$ 145,607	\$	69,505,607	776	2.20%
2019	\$ 1,020,000	\$ 58,995,000	\$ 2,990,000	\$ 133,473	\$	63,138,473	698	1.93%
2020	\$ 725,000	\$ 53,725,000	\$ 2,345,000	\$ 121,340	\$	56,916,340	650	-
2021	\$ 475,000	\$ 48,535,000	\$ 1,705,000	\$ 1,185,318	\$	51,900,318	-	-

* Information not yet available

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

(1) See Table 12 for personal income and population data. These ratios are calculated using personal income and the prior calendar year.

Table 11

BURKE COUNTY, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$ 6,736,444,423	\$ 6,882,996,153	\$ 6,445,976,324	\$ 6,477,527,647	\$ 6,483,907,794	\$ 6,655,465,442	\$ 7,162,788,921	\$ 6,708,671,292	\$ 7,159,079,089	\$ 7,428,838,294
Debt Limit, 8% of Assessed Value (Statutory Limitation)	538,915,554	550,639,692	515,678,106	518,202,212	518,712,624	532,437,235	573,023,114	536,693,703	572,726,327	594,307,064
Amount of Debt Applicable to Limit										
General obligation debt	3,975,000	3,570,000	3,235,000	2,770,000	2,305,000	1,840,000	1,425,000	1,020,000	725,000	475,000
Installment Purchases	50,019,821	46,362,888	45,425,157	40,820,667	36,274,500	53,053,333	67,935,000	61,985,000	56,070,000	50,240,000
Total net debt applicable to limit	53,994,821	49,932,888	48,660,157	43,590,667	38,579,500	54,893,333	69,360,000	63,005,000	56,795,000	50,715,000
Legal Debt Margin	<u>\$ 484,583,402</u>	<u>\$ 495,729,145</u>	<u>\$ 437,469,463</u>	<u>\$ 474,399,806</u>	<u>\$ 479,452,837</u>	<u>\$ 477,543,902</u>	<u>\$ 503,663,114</u>	<u>\$ 473,688,703</u>	<u>\$ 515,931,327</u>	<u>\$ 543,592,064</u>
Total net debt applicable to the limit as a percentage of debt limit	10.02%	9.07%	9.44%	8.41%	7.44%	10.31%	12.10%	11.74%	9.92%	10.80%

Note: NC Statute GS 159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Table 12

BURKE COUNTY, NORTH CAROLINA
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Personal Income (1) (thousands of dollars)	Per Capita Personal Income (1)	Median Age (2)	Public School Enrollment (3)	Unemployment Rate (4)
2012	89,995	2,584,080	28,714	41.7	13,389	10.80%
2013	89,386	2,571,128	28,764	42.1	13,266	9.50%
2014	88,807	2,676,314	30,136	42.4	13,404	6.80%
2015	88,842	2,794,772	31,458	42.7	13,180	5.80%
2016	88,851	2,891,036	32,538	42.9	12,360	5.00%
2017	90,127	3,041,519	33,747	43.3	12,113	4.00%
2018	89,519	3,156,887	35,265	40.1	12,497	3.57%
2019	90,485	3,276,618	36,212	44.1	12,140	4.10%
2020	87,570	*	23,466	43.6	11,809	7.30%

* Information not available.

Notes:

- (1) Information obtained from U. S. Bureau of Economic Analysis.
- (2) Information obtained from N. C. State Data Center.
- (3) Information obtained from N. C. Department of Public Instruction.
- (4) Information obtained from N. C. Employment Security Commission.

Table 13

BURKE COUNTY, NORTH CAROLINA
Principal Employers
Current Year and Five Years Ago

Employer	Fiscal Year 2021			Fiscal Year 2016*		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Burke County Schools	1,570	1	4.17%	1,550	1	4.12%
Broughton Hospital	1,440	2	3.83%	1,200	3	3.72%
Carolina Healthcare-Blue Ridge	1,330	3	3.53%	1,400	2	3.19%
J. Iverson Riddle Dev. Center	1,000	4	2.66%	1,000	5	2.78%
Case Farms	950	5	2.52%	1,045	4	2.66%
Valdese Weavers	650	6	1.73%	750	6	1.99%
Leviton Mfg. Co. Inc.	600	7	1.59%	600	7	1.59%
Burke County	525	8	1.39%	530	8	1.41%
Continental Automotive Systems	500	9	1.33%	470	9	1.25%
Western Piedmont Community College	420	10	1.12%	450	10	1.20%
Totals	8,985		23.87%	8,995		23.91%

*Note: Prior years not available.

Source: Burke Partnership for Economic Development, Inc.

Table 14

BURKE COUNTY, NORTH CAROLINA
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	49.3	50.3	50.3	54.8	54.8	54.8	54.8	55.3	55.3	57.3
Public Safety	186	186	200	200	210	213	214	224	264	275
Human Services	187	190	193	199.5	204	214	220	224	238	240
Cultural and Recreational	29	29	29	29	29	29	29.5	31.5	31.5	31.5
Environmental Protection	3	3	3	3	3	3	3	3	3	3
Economic and Physical Development	1	1	1	1	1	1	1	1	1	1
Enterprise	15.2	17.2	18.2	18.7	18.7	19.7	19.7	19.7	19.7	22.7
Total	470.5	476.5	494.5	506	520.5	534.5	542	558.5	612.5	630.5

Table 15

BURKE COUNTY, NORTH CAROLINA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
County Government buildings	22	22	22	24	25	25	25	25	26	26
Public Safety										
Sheriff										
Centers	1	1	1	1	1	1	1	1	1	1
Squad Cars	76	84	87	97	100	87	87	87	87	87
Jail										
Sq footage	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	72,000	72,000
Total bed count	60	60	60	60	60	60	60	60	264	264
Emergency medical service										
Quick response vehicles	3	1	3	1	4	4	4	4	4	4
Advanced life support vehicles	16	14	14	13	14	15	16	16	16	16
Stations	6	6	6	7	7	7	7	7	7	7
Human services										
Health Department Locations	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Total acreage-all parks	176	164	164	164	164	164	474	474	474	474
Number of parks	5	4	4	4	4	4	4	6	6	6
Solid waste disposal facility										
Number of collection sites	5	5	6	6	6	6	6	6	6	6

Source: Various County departments.

COMPLIANCE SECTION

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

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**Independent Auditors' Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards**

To the Board of Commissioner of
Burke County
Morganton, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the 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 Burke County, North Carolina as of, and for, the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Burke County, North Carolina's basic financial statements, and have issued our report thereon dated October 31, 2021. Our report includes a reference to the other auditors who audited the financial statements of the Burke County Tourism Development Authority, as described in our report on Burke County, North Carolina's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Burke County Tourism Development Authority were not audited in accordance with Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Burke County, North Carolina's internal control over financial reporting (internal control) as a basis for designing the 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 Burke County, North Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Burke County, North Carolina'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 material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Burke County, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lowdermilk Church & Co., L.L.P.

Morganton, North Carolina
October 31, 2021

**Independent Auditors' Report On Compliance For Each Major Federal Program
And On Internal Control Over Compliance Required By The Uniform Guidance
And the State Single Audit Implementation Act**

To the Board of Commissioners of
Burke County
Morganton, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Burke County, North Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Burke County, North Carolina's major federal programs for the year ended June 30, 2021. Burke County, North Carolina's major federal programs are identified in the summary of the auditors' results section of the accompanying schedule of findings and responses.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Burke County, North Carolina'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 noncompliance 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 Burke County, North Carolina'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 Burke County, North Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, Burke County, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Burke County, North Carolina, 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 Burke County, North Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 Burke County, North Carolina'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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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.

Lowdermilk Church & Co., L.L.P.

Morganton, North Carolina
October 31, 2021

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

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**Independent Auditors' Report On Compliance For Each Major State Program
And On Internal Control Over Compliance Required By The Uniform Guidance
And The State Single Audit Implementation Act**

To the Board of Commissioners of
Burke County
Morganton, North Carolina

Report on Compliance for Each Major State Program

We have audited Burke County, North Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Burke County, North Carolina's major State programs for the year ended June 30, 2021. Burke County, North Carolina's major State programs are identified in the summary of the auditors' results section of the accompanying schedule of findings and responses.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Burke County, North Carolina'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; the applicable sections of Title 2 *U.S. Code of State 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 noncompliance 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 Burke County, North Carolina'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 Burke County, North Carolina's compliance.

Opinion on Each Major State Program

In our opinion, Burke County, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Burke County, North Carolina 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 Burke County, North Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 Burke County, North Carolina'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, noncompliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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.

Lowdermilk Church & Co., L.L.P.

Morganton, North Carolina
October 31, 2021

BURKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021

I. 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 identified? _____ Yes X No

Significant deficiency identified that is not considered to be material weaknesses _____ Yes X None reported

Noncompliance material to financial statements noted _____ Yes X No

Federal Awards

Internal control over major Federal programs:

Material weakness identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses _____ Yes X 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)? _____ Yes X No

Identification of major Federal programs:

<u>Program Name</u>	<u>CFDA#</u>
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561
Medicaid Assistance Program - Administration	93.778
Foster Care and Adoption Cluster	93.658 & 93.659
Coronavirus Relief Fund	21.019
Low Income Home Energy Assistance Block Grant	93.568

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

Auditee qualified as low-risk auditee _____ X Yes _____ No

State Awards

Internal control over major State programs:

Material weakness identified? _____ Yes X No

Significant deficiency identified that is not considered to be material weaknesses _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act _____ Yes X No

BURKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021

Identification of major State programs:

State Foster Care Benefits Program

Foster Care and Adoption Cluster

Industrial Development Fund/Utility Account

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Responses

None reported.

IV. State Award Findings and Responses

None reported.

**Corrective Action Plan
For the Year Ended June 30, 2021**

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Responses

None reported.

Section IV. State Award Findings and Responses

None reported.

BURKE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

Finding 2020-001

Status: Corrected as of June 30, 2021

Burke County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal (Direct & Pass- Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards:						
U.S. Department of Agriculture						
Passed-through the N.C. Department of Health and Human Services:						
Division of Social Services:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 763,999	\$ -	\$ -	\$ 763,999
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5)	10.557		454,445	-	-	-
Total U.S. Department of Agriculture			<u>1,218,444</u>	<u>-</u>	<u>-</u>	<u>763,999</u>
Federal Highway Administration						
Passed-through N.C. Department of Natural and Cultural Resources						
Recreational trails program		RTP2020-7817	71,435	-	-	23,812
Total Federal Highway Administration			<u>71,435</u>	<u>-</u>	<u>-</u>	<u>23,812</u>
U.S. Department of Treasury						
Passed-through the N.C. Office of Management and Budget, N.C. Pandemic Recovery Office:						
Coronavirus Relief Fund	21.019	02-12	3,203,881	-	818,609	2,441
Custom and Border Patrol Division						
Federal Equitable Sharing Funds	21.016	NC0120000	28,622	-	-	-
Total U.S. Department of Treasury			<u>3,232,503</u>	<u>-</u>	<u>818,609</u>	<u>2,441</u>
Election Assistance Commission						
Passed-through the N.C. State Board of Elections:						
Coronavirus Relief Fund	21.019	03-25-12	78,102	-	-	-
2020 Help Americans Vote Act Funds	90.404	NC20101001-012	149,035	-	-	-
Total Election Assistance Commission			<u>227,137</u>	<u>-</u>	<u>-</u>	<u>-</u>
National Endowment for the Humanities						
Passed-through State Library of N.C., N.C. Department of Natural and Cultural Resources:						
LSTA State Grant	45.310	LS-246155-OLS-20	9,877	-	-	-
COVID-19 Response	45.310	LS-00-19-0034-19	4,344	-	-	-
Total National Endowment for the Humanities			<u>14,221</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Environmental Protection Agency						
Passed-through N.C. Department of Environmental Quality						
State Revolving Fund-N.C. Clean Water Grant	66.458	CS370400-01	247,685	-	-	-
Total U.S. Environmental Protection Agency			<u>247,685</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Homeland Security						
Passed-through the N.C. Department of Public Safety:						
Division of Emergency Management						
Emergency Management Performance Grant	97.042	EMA-2020-EP-00009-2020011	53,753	-	-	53,753
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	HMGP DR-4465	37,554	-	2,917	-
Total U.S. Department of Homeland Security			<u>91,307</u>	<u>-</u>	<u>2,917</u>	<u>53,753</u>
U.S. Department of Justice						
Burke County Recovery Court Implementation						
Burke County Recovery Court Implementation	16.838	2018-DC-BX-0060	97,134	-	97,134	-
Burke County Recovery Court Implementation	16.838	2019-AR-BX-K090	55,628	-	55,628	-
Passed-through the N.C. Department of Public Safety:						
Bryne Justice Assistance Grant	16.738	2018-DJ-BX-0041	21,522	-	-	-
Total U.S. Department of Justice			<u>174,284</u>	<u>-</u>	<u>152,762</u>	<u>-</u>
U.S. Department of Health & Human Services						
Provider Relief Fund						
Administration on Aging	93.498	HHS-71407145609	33,322	-	-	-
Aging Cluster:						
Passed-through Western Piedmont Council of Governments:						
Home and Community Care Block Grant (HCCBG) -						
Title III B - Access Services	93.044	20/21 AANCT3SS	84,813	4,989	-	9,978
90% State Funds						
Title III C1 - Congregate Nutrition	93.045	20/21 AANCT3CM	391	23	-	46
Families First - Home Delivered Meals	93.045		72,372	-	-	-
Cares - Nutrition Services	93.045		61,493	-	-	-
Senior Center			-	17,526	-	-
Nutrition Services Incentive Program (NSIP)	93.053	20/21 AANCNSIP	34,591	-	-	-
Total Aging Cluster			<u>253,660</u>	<u>22,538</u>	<u>-</u>	<u>10,024</u>
Passed-through N.C. Department of Insurance:						
Seniors Health Insurance Information Program	93.779	90SAPG0099-01-03	8,340	-	-	-
Medicare Improvements for Patients and Providers Act	93.779	1801NCMISH-00	4,819	-	-	-
			<u>13,159</u>	<u>-</u>	<u>-</u>	<u>-</u>

Burke County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal (Direct & Pass- Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Administration for Children and Families						
Passed-through the N.C. Department of Health and Human Services:						
Division of Social Services:						
Family Reunification	93.556	1901NCFPSS & 1901NCFPSS	54,672	-	-	-
Temporary Assistance for Needy Families						
Administration	93.558	1902NCTANF & 2002NCTANF	786,067	-	-	1,182,111
Special Childrens Adoption	93.558	1901NCTANF & 2001NCTANF	18,570	-	-	-
Child Support Enforcement	93.563		592,048	779	-	304,216
Low-Income Home Energy Assistance Block Grant						
Administration	93.568	G19B1NCLIEA & G20B1NCLIEA	70,918	-	-	-
Direct Benefit Payments	93.568	G19B1NCLIEA & G20B1NCLIEA	601,614	12	-	-
Crisis Intervention Payments	93.568	G19B1NCLIEA & G20B1NCLIEA	399,640	-	-	-
Permanency Planning	93.645	G1901NCCWSS & G2001NCCWSS	30,596	-	-	10,199
Social Services Block Grant	93.667	G1901NCSOSR & G2001NCSOSR	503,377	4,371	-	159,585
Total Division of Social Services			3,057,502	5,162	-	1,656,111
Foster Care and Adoption Cluster (Note 4)						
Title IV-E Foster Care	93.658	2001NCFOST	547,036	57,779	-	483,521
Adoption Assistance - Direct Benefit Payments	93.659	2001NCADPT	1,442,346	258,543	-	280,183
Adoption/Foster Care Special Provision	93.658	2001NCFOST	182,304	-	-	16,404
Total Foster Care and Adoption Cluster (Note 4)			2,171,686	316,322	-	780,108
Subsidized Child Care						
Child Care Development Fund Cluster						
Division of Social Services						
Child Care Development Fund - Administration	93.596		131,021	-	-	-
Total Subsidized Child Care Cluster			131,021	-	-	-
Health Care Financing Administration						
Passed-through the N.C. Department of Health and Human Services:						
Division of Social Services:						
Medical Assistance Program (Note 5)						
Administration	93.778	XIX-MAP20	2,747,462	13,967	-	996,166
Health Choice	93.767	CHIP20	84,546	1,351	-	15,323
Chafee Foster Care Independence Program	93.674	G1901NC1420 & G2001NC1420	85,103	7,419	-	49,275
Total Division of Medical Assistance			2,917,111	22,737	-	1,060,764
Passed-through the N.C. Department of Health and Human Services:						
Division of Public Health:						
COVID-19 Relief Fund	21.019		119,750	-	-	-
Public Health Emergency Preparedness	93.069		27,775	-	-	-
Project Grants for TB Control	93.116		50	-	-	-
Immunization Grant	93.268		174,811	-	-	-
Maternal and Child Health Services Block Grant	93.994		27,303	-	-	11,462
Sexually Transmitted Diseases Control Grant	93.977		100	-	-	-
Family Planning Services	93.217		53,934	-	-	-
Preventative Health and Health Services Block Grant	93.991		40,523	-	-	-
Temporary Assistance for Needy Families	93.558		12,594	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.353		140,107	-	-	-
Cooperative Agreement for Emergency Response	93.354		-	-	-	-
Total Division of Public Health			596,947	-	-	11,462
Total U.S. Department of Health & Human Services			9,174,408	366,759	-	3,518,469
US Forestry Service						
Passed-through the N.C. Department of Public Instruction:						
Timber Receipts	10.666	FY 2020 SRS	62,479	-	62,479	-
Total Federal Awards			14,513,903	366,759	1,036,767	4,362,474
State Awards:						
N.C. Department of Health and Human Services						
Division of Social Services						
Adoption Subsidy			-	324,907	-	74,867
Extended Foster Care Maximization			-	62,095	-	-
State Foster Home Maximization			-	155,016	-	155,016
State Foster Care Benefits Program			-	632,562	-	81,487
Extended Foster Care >20 Stipend			-	7,700	-	-
Foster Care Stipend			-	94,300	-	-
APS/CPS Care COVID-19			-	33,673	-	-
Total Division of Social Services			-	1,310,253	-	311,370

Burke County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal (Direct & Pass- Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Division of Public Health:						
Healthy Community Activities			-	3,747	-	-
HIV/STD SSBG Aid			-	500	-	-
Tuberculosis			-	18,741	-	-
Communicable Diseases			-	1,610	-	-
Child Health			-	279	-	-
Family Planning			-	40,485	-	-
Maternal Health			-	34,408	-	-
Women Health Service Fund			-	9,899	-	-
School Nurse Funding Incentive			-	100,000	-	-
STD Drugs			-	1,501	-	-
General Aid to Counties			-	114,459	-	-
Food and Lodging Fees			-	12,433	-	-
Total Division of Public Health			-	338,062	-	-
Total N.C. Department of Health and Human Services			-	1,648,315	-	311,370
N.C. Department of Public Safety						
Emergency Management						
NC Tier II Noncompetitive Grant		MOA#2070049	-	1,000	-	-
Division of Administration, Community Programs						
Juvenile Crime Prevention Council Programs		012-XXXX	-	387,074	387,074	116,122
Total N.C. Department of Public Safety			-	388,074	387,074	116,122
N.C. Department of Commerce						
Industrial Development Fund / Utility Account		U-505	-	1,148,157	-	390,218
One NC Grant - Jackson Corrugated		2017-21318	-	75,000	-	39,595
Rural Center Development Grant - Synergy		2019-139-3201-2587	-	51,303	-	18,367
Rural Center Development Grant - Marves		2019-122-3201-2587	-	15,463	-	2,644
Total N.C. Department of Commerce			-	1,289,923	-	450,824
N.C. Department of Cultural and Natural Resources						
Division of State Library:						
Aid to Public Libraries Fund			-	139,132	-	-
Total N.C. Department of Cultural and Natural Resources			-	139,132	-	-
N.C. Department of Agriculture and Consumer Services						
Soil Conservation Assistance		18-024-4014	-	3,600	-	3,600
Soil Conservation Technician Cost Sharing		18-024-4014	-	26,880	-	122,044
Spray and Neuter Grant			-	8,897	8,897	-
Total N.C. Department of Agriculture and Consumer Services			-	39,377	8,897	125,644
N.C. Department of Environmental Quality						
Abandoned Mobile Home Grant		Contract No. 8138	-	9,000	-	3,800
N.C. Division of Veteran's Affairs						
Veteran's Service Program			-	2,084	-	41,246
Total State Awards			-	3,515,905	395,971	1,049,006
Total Federal and State Awards			\$ 14,513,903	\$ 3,882,664	\$ 1,432,738	\$ 5,411,480

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

1. Basis of Presentation:

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State award activity of Burke County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. 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 Burke County, it is not intended to and does not present the financial position, changes in net position or cash flows of Burke County.

2. Summary of Significant Account 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.

3. Indirect Cost Rate:

Burke County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Foster Care and Adoption

Burke County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal (Direct & Pass- Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
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5. Benefit Payments Issued by the State:

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	454,445	-
Supplemental Nutrition Assistance Program	10.551	30,727,017	-
Temporary Assistance for Needy Families	93.558	1,015,488	-
Adoption Assistance	93.659	1,442,346	258,543
Foster Care - Title IV-E	93.658	1,460,260	369,924
Medical Assistance Program	93.778	120,954,694	46,581,131
Children's Health Insurance Program	93.767	2,483,643	498,303
Child Welfare Services Adoption		-	324,907
State / County Special Assistance program		-	535,500