

# **TOWN OF HUNTERSVILLE NORTH CAROLINA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

### TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<b>Introductory Section:</b>	
	Letter of Transmittal	i-vi
	Organizational Chart	vii
	Certificate of Achievement for Excellence in Financial Reporting	viii
	List of Principal Officials	ix
	<b>Financial Section:</b>	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-13
	<b>Basic Financial Statements:</b>	
	<b>Government-Wide Financial Statements:</b>	
1	Statement of Net Position	14-15
2	Statement of Activities	16-17
	<b>Fund Financial Statements:</b>	
3	Balance Sheet - Governmental Funds	18-19
4	Statement of Revenues, Expenditures, and Changes in in Fund Balances - Governmental Funds	20-21
5	Statement of Revenues, Expenditures, and Changes in in Fund Balances - Budget and Actual - General Fund and Major Special Revenue Fund	22-23
6	Statement of Net Position - Proprietary Funds	24
7	Statement of Revenues, Expenses, and Changes in in Fund Net Position - Proprietary Funds	25
8	Statement of Cash Flows - Proprietary Funds	26
	<b>Notes to the Financial Statements</b>	27-68

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Required Supplementary Financial Data:</b>	
A-1	Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability (LEO) Last Five Fiscal Years	69
A-2	Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEO) - Last Five Fiscal Years	70
A-3	Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios - Last Four Fiscal Years	71
A-4	Local Government Employees' Retirement System Proportionate Share of Net Pension Liability (Asset) Last Eight Fiscal Years	72-73
A-5	Local Government Employees' Retirement System Contributions - Last Eight Fiscal Years	74-75
	<b>Supplementary Financial Data:</b>	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	76-79
B-2	Schedule of Encumbrances - Governmental Funds	80
B-3	Major Special Revenue Fund - Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	81
B-4	Bond Fund 2020 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	82
C-1	Nonmajor Governmental Funds - Combining Balance Sheet	83
C-2	Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	84

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

### TABLE OF CONTENTS

<b><u>Schedule</u></b>		<b><u>Page</u></b>
	<b>Supplementary Financial Data (continued):</b>	
D-1	Combining Balance Sheet - Nonmajor Capital Project Funds	85
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Capital Project Funds	86
D-3	Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	87
D-4	Bond Fund 2008 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	88
D-5	Bond Fund 2013 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	89
D-6	Bond Fund 2016 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	90
E-1	Combining Balance Sheet - Nonmajor Special Revenue Funds	91
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Special Revenue Funds	92
E-3	Special Revenue Fund - Transportation Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	93
E-4	Special Revenue Fund - Land Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	94
E-5	Special Revenue Fund - Commerce Station Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	95
F-1	Electric Fund - Schedule of Revenues and Expenditures - Budget and Actual ( Non-GAAP)	96

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

### TABLE OF CONTENTS

<b><u>Schedule</u></b>		<b><u>Page</u></b>
	<b>Supplementary Financial Data (continued):</b>	
F-2	Family Fitness and Aquatics Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	97
G-1	Schedule of Ad Valorem Taxes Receivable	98
G-2	Analysis of Current Year Levy	99
G-3	Schedule of Ten Largest Taxpayers	100
	<b>Statistical Section:</b>	
1	Net Position By Component	101
2	Changes in Net Position	102-103
3	Fund Balances of Governmental Funds	104
4	Changes in Fund Balances of Governmental Funds	105
5	Governmental Activities Tax Revenues By Source	106
6	Assessed Value and Estimated Actual Value of Taxable Property	107
7	Direct and Overlapping Property Tax Rates	108
8	Principal Property Taxpayers	109
9	Property Tax Levies and Collections	110
10	Ratio of Outstanding Debt by Type	111
11	Ratios of General Bonded Debt Outstanding	112
12	Direct And Overlapping Governmental Activities Debt	113
13	Legal Debt Margin Information	114

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Statistical Section (continued):</b>	
14	Demographic and Economic Statistics	115
15	Principal Employers	116
16	Employee Position Authorization by Function	117
17	Operating Indicators by Function	118
18	Capital Asset Statistics by Function	119
	<b>Compliance Section:</b>	
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	120-121
	Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by Uniform Guidance and the State Single Audit Implementation Act	122-123
	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance Required by Uniform Guidance and the State Single Audit Implementation Act	124-125
	Schedule of Findings and Questioned Costs	126-127
	Schedule of Prior Year Audit Findings	128
	Schedule of Expenditures of Federal And State Awards	129





## **INTRODUCTORY SECTION**





November 9, 2021

To the Honorable Mayor, Board of Commissioners and Citizens of the Town of Huntersville,  
North Carolina

It is our pleasure to submit the Annual Comprehensive Financial Report of the Town of Huntersville, North Carolina for the fiscal year ended June 30, 2021. The purpose of the report is to provide the Town Board, management, staff, citizens and other interested parties with detailed information reflecting the Town's financial condition.

## **THE REPORT**

State law requires that local governments annually publish financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. The General Statutes also require that those financial statements be audited by an independent firm of licensed certified public accountants. This report complies with those requirements.

Town management is responsible for the accuracy of the financial statements and the completeness and fairness of the presentation, including disclosures. We believe the data is accurate in all material respects and is presented in a manner that fairly reflects the Town's financial condition. Further, we believe all disclosures necessary to enable readers to gain an understanding of the Town's financial affairs have been included. To arrive at this conclusion, Town management has established a comprehensive internal control framework that is designed to protect the Town's assets from loss, theft, or misuse and to assemble sufficient reliable information for preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are materially correct. As management, we acknowledge that to the best of our knowledge and belief, these financial statements are materially complete and reliable.

The Annual Comprehensive Financial Report (ACFR) consists of four sections: *Introductory, Financial, Statistical, and Compliance*. The *Introductory Section* provides a general overview of

the Town's structure, personnel, and information useful in assessing the Town's financial condition. The *Financial Section* consists of the Town's audit opinion, management discussion and analysis, and basic financial statements and accompanying notes. The Huntersville financial statements have been audited by Martin Starnes and Associates, CPAs PA. The objective of the independent audit was to provide an opinion on whether the financial statements are free of material misstatement. The independent audit included examining, on a test basis, evidence supporting amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial report presentation. The independent auditor concluded, based on their work, that there was a reasonable basis for rendering an unmodified opinion that the Town of Huntersville financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP.



The *Statistical Section* uses charts and graphs to illustrate comparative economic and financial data to provide report readers with trend analysis of the Town's financial performance generally over a ten year period. The report concludes with the *Compliance Section* that documents adherence with federal and state award requirements.

## **TOWN OVERVIEW**

The Town of Huntersville was incorporated in 1873 and is currently the 16<sup>th</sup> most populous municipality in North Carolina. The Town is situated in northern Mecklenburg County, between the City of Charlotte and the largest manmade lake in NC, Lake Norman. Under the Town's state adopted charter, the Town Board is comprised of a Mayor and six Commissioners who enact local legislation, determine policies, and adopt the Town budget annually. The Mayor and Commissioners are elected for two year terms in odd-numbered years. The Town Manager is appointed by the Town Board and is responsible for the daily operations of Town affairs.

The Town provides many municipal services, including general government, police, public works, parks and recreation, and planning, zoning and code enforcement. Solid waste collection and fire protection services are provided through private contractors. The Town owns its own electric

distribution system and operates Huntersville Family Fitness and Aquatics Center in separate enterprise funds.

The annual budget serves as the foundation for the Town's financial planning and control. The Town Manager is responsible for preparing an annual recommended budget which is reviewed, discussed, and ultimately adopted by the Town Board. The annual budget document is presented by fund (for example, general) and department (e. g., police), or function (e. g., debt service or transfers). All expenses are incurred in accordance with the annually adopted budget. The department level is the legal level of control as adopted in the annual budget ordinance. Management maintains budgetary controls within Board adopted departments by specific line items which are reviewed prior to incurring expenses such as purchase orders, assuring funding availability.



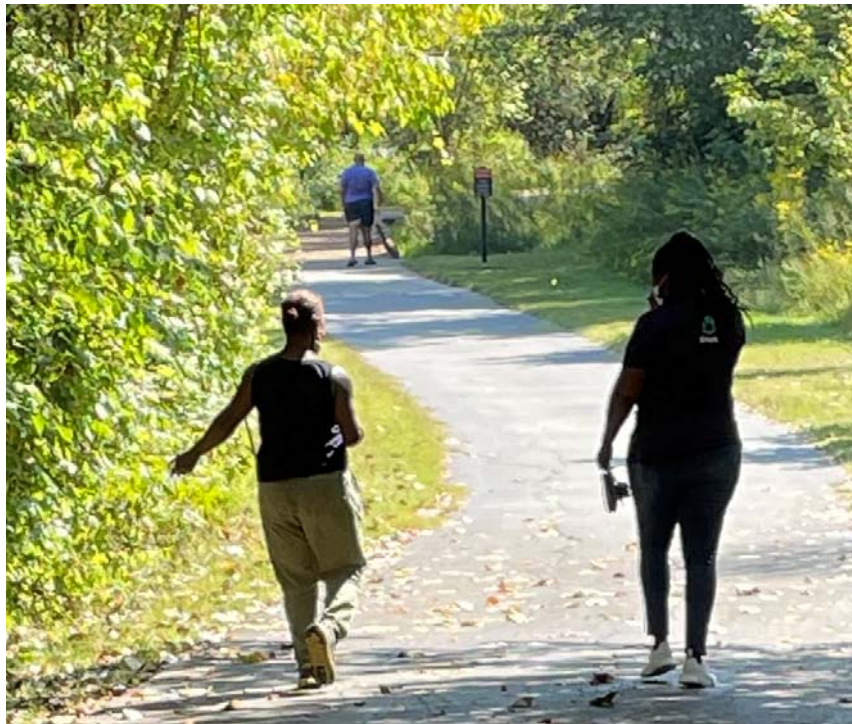
Transfers between expenditure accounts in one department require Department Director, Finance Director and Town Manager approval. Any increase or decrease to a department budget requires Town Board approval of a budget amendment. Budget to actual comparisons are provided in this report for each major fund for which an appropriated annual budget has been adopted. For all non-major funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements section of this report.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

Economic activity as evidenced by new construction remains strong in the Town of Huntersville. If there has been an impact of the COVID-19 impact, it has resulted in numerous moves into Huntersville and new build activity. The Town Planning Department reports commercial permits were issued in FY 2021 with an estimated value of \$140,000,000. Residential certificates of occupancy for single family issued in FY 2021 increased over FY 20's elevated values by an additional 72%. Sales tax receipts in FY 21 achieved the highest level on record in Huntersville increasing over FY 20 levels by more than 11%.

The Huntersville's tax base has continued to grow at the highest rate of any Mecklenburg County municipality, growing in FY 21 at an increase of \$340.5 million or 3.53%. The Town continues to benefit from its location near the City of Charlotte and its banking center hub as well as the completion of the I-485 outer loop. With close proximity to Interstates 77 and 85, Charlotte's international airport and the City of Concord's nearby regional airport, Huntersville is a convenient location for area residential and commercial activity. These economic factors position Huntersville for a solid recovery from the Covid-19 recession.





While the majority (73%) of the Town's assessed value is residential in nature, the Town continues to work at diversifying the tax base with commercial growth. Huntersville continues to see continued growth in commercial and industrial development. Safeguard Medical will move its headquarters to a 159,120 square foot building in The Park Huntersville. The move will add 100 new jobs, with 150 additional jobs planned in the future. Selwyn Property Group is constructing a 104,700 square foot building that will be complete by the end of 2021. MDH Partners completed two buildings (114,100 square feet & 331,385 square feet) which are seeing strong leasing interest. Numerous other industrial buildings are currently in plan review and will start construction in the upcoming year.

With this increase in residents and commercial tax base, Huntersville's revenues have grown commensurately. For instance, the Town's property tax revenues have grown 44% (Table 4). The population increase has brought with it demand for services, most notably in police, parks and recreation, and transportation/mobility. The previous decade has seen a predictable rise in general fund expenditures of approximately 64% (Table 4). Commitment to citizen safety and wellbeing is a major contributing factor for the anticipated build out population of over 105,000+ residents by 2040.



The Town has several projects that garner publicity. The Town's Birkdale Village is renowned for its unique successful approach to mixed use development and contribution to Huntersville as a destination. North American Properties acquired Birkdale Village and plans significant upgrades including new stores, restaurants, outdoor seating and a concierge center with outdoor stage. New owners of Birkdale have created a buzz about the positive changes associated with new tenants. Additional new commercial activity includes

redevelopment of Birkdale Landing. Other impactful projects approved in FY 21 include North State development and Vermilion Village in downtown Huntersville and Symphony Park and Northbrook on NC Highway 73.

### **Long-Term Financial Planning**

For many years, the Town has maintained enviable cash reserves and maintained relatively low debt levels. Such conservative financial practices have resulted in meeting the demands of a high growth community with a low tax burden. Examples of recently financed capital projects include the new Rosedale Park and Nature Preserve, Downtown Greenway, and Stumptown Road extension design.

As illustrated in the Town's five year Capital Improvement Plan, future projects are dominated by transportation, greenway and park projects. Examples include the Lower McDowell Creek Greenway, Gilead Road West, Fire Station #2, and multiple intersection and sidewalk improvements. The Town's current AAA bond rating from both Moody's Investor Service and Standard & Poors allows management to provide capital infrastructure at the lowest interest rates possible. Therefore, efforts to preserve that rating is a major Staff initiative. In fiscal 2020 the Town issued the remaining transportation bonds from the citizens approved a \$30 million bond referendum in 2012. Those bonds funded projects that are expected to be transformative for citizens in the years to come.

Users of this document and others interested in services and programs the Town offers are encouraged to read the Town's FY 2022 Annual Budget. The Annual Budget details the Town's long-term goals and financial policies, describes program initiatives for each department and outlines the Town's five year capital improvement program. Specific revenue and expenditure forecasts are also disclosed in the annual budget by department at the line item detail level. Historical budget and actual figures are also displayed for the prior completed fiscal year. The document addresses how financial policies are impacted by future year's spending plan and how the Town plans to maintain compliance with reserve policies. Additional information can be found regarding the Town's budgets at <http://www.huntersville.org/Departments/Finance.aspx>.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Town received the Government Finance Officers Association of the United States and Canada (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* for their Annual Comprehensive Financial Report prepared last year. In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized financial statements whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements and is valid for one year. We believe the FY 2021 report conforms to the *Certificate of Achievement* program requirements and plan to submit this year's report as well for consideration in the program.

The preparation of this report on a timely basis was made possible by the dedicated service and cooperation of many, particularly Martin Starnes and Associates CPAs PA and the Town's Finance Department in concert with all Town Departments. We would like to extend special thanks to the Mayor and Town Board for their support maintaining the highest standards of professionalism in the stewardship of the Town's financial condition.

*Anthony Roberts*

Anthony Roberts  
Town Manager

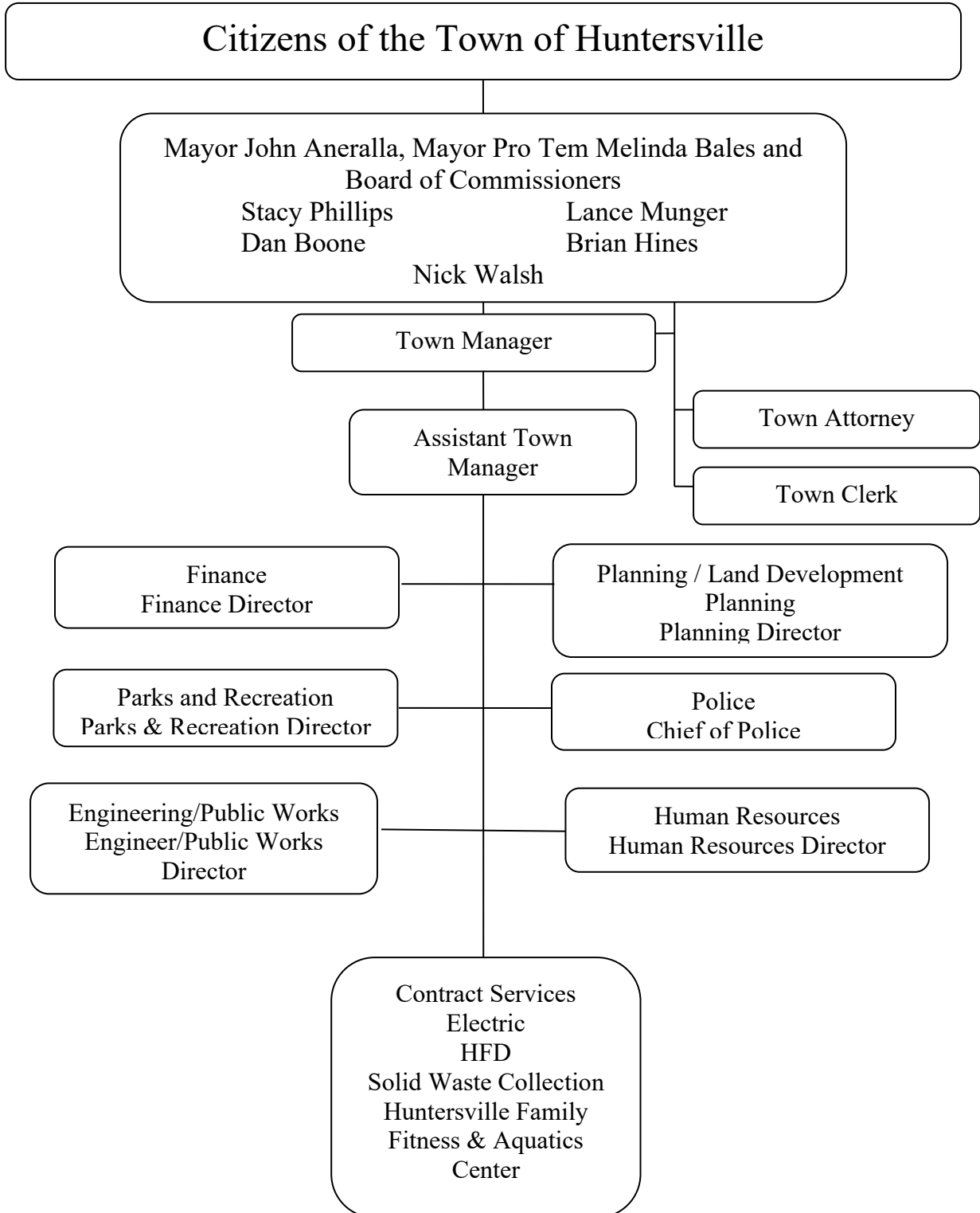
*Pattie McGinnis*

Pattie McGinnis  
Finance Director



# Town of Huntersville, North Carolina

## Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Huntersville  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## List of Elected Officials

Mayor	John Aneralla
Mayor Pro Tem/Town Commissioner	Melinda Bales
Town Commissioner	Dan Boone
Town Commissioner	Lance Munger
Town Commissioner	Brian Hines
Town Commissioner	Stacy Phillips
Town Commissioner	Nick Walsh

## List of Appointed Officials

Town Manager	Anthony Roberts
Assistant Town Manager	Jackie Huffman
Town Attorney	Emily Sloop
Town Clerk	Janet Pierson
Finance Director	Pattie McGinnis
Human Resources Director	Lara Cagle
Parks and Recreation Director	Michael Jaycocks
Planning Director	Jack Simoneau
Police Chief	Bence Hoyle
Engineering Director	Stephen Trott
Public Works Director	Kevin Fox



## **FINANCIAL SECTION**



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

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

## **Independent Auditor's Report**

To the Board of Commissioners  
Town of Huntersville  
Huntersville, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huntersville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huntersville, 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 Grants 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 Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, 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-Employee Payroll be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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 the Town of Huntersville's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other schedules, the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax 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, budget and actual schedules, supplemental ad valorem tax schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report November 9, 2021 on our consideration of the Town of Huntersville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Huntersville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Huntersville's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 9, 2021



## **Management's Discussion and Analysis**

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

### **Financial Highlights**

- The assets and deferred outflows of resources of the Town of Huntersville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$174,548,190.
- The government's total net position had an increase of \$10,713,033.
- As of the close of the current fiscal year, the Town of Huntersville's governmental funds reported combined ending fund balances of \$79,608,592, with a net decrease of \$1,911,930, in fund balance. Approximately 49.17 percent of this total amount, or \$39,144,925 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,156,278, or 36.14 percent, of total General Fund expenditures for the fiscal year.
- The Town of Huntersville holds the following bond ratings:

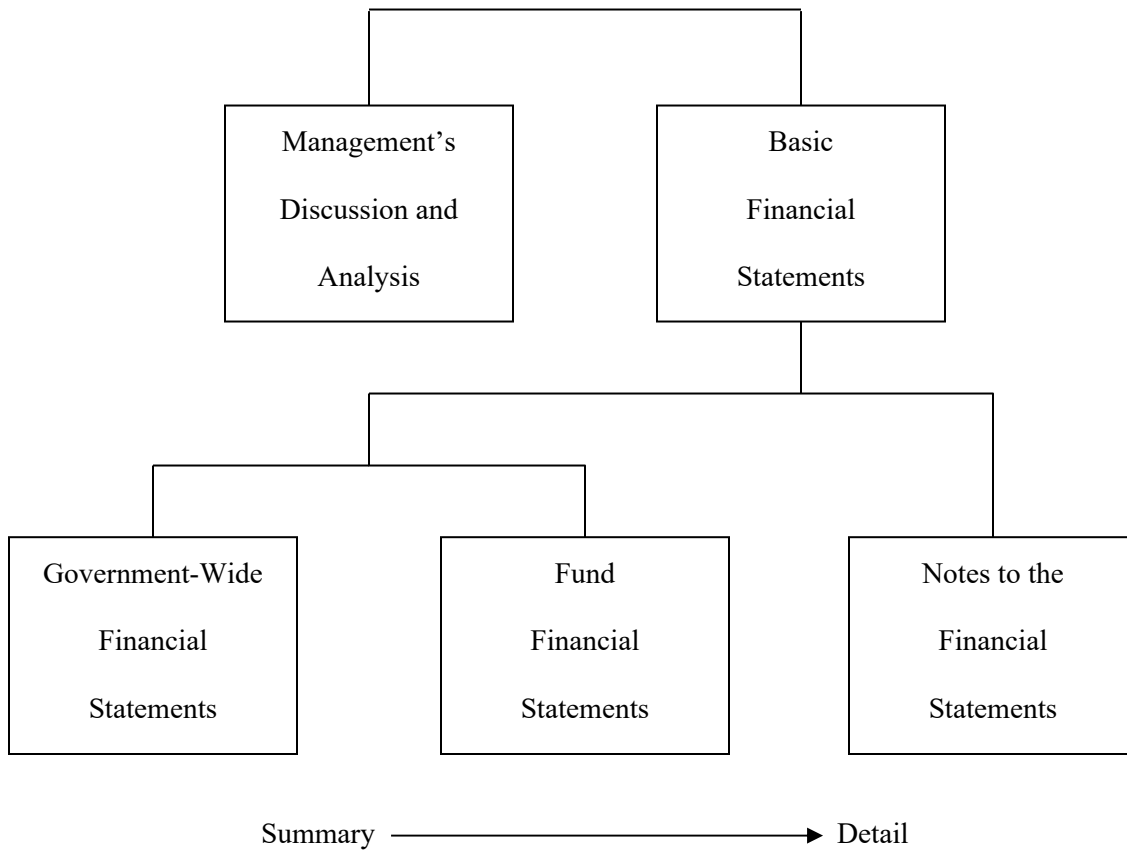
Moody's	Aaa
Standard & Poor's	AAA

### **Overview of the Financial Statements**

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

The third section of the basic financial statements is the **Notes to the Financial Statements**, which explains in detail some of the data contained in the statements noted above. After the notes, **Supplemental Information** is presented to provide details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in the supplemental information.

## Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the Town's basic services, such as public safety, parks and recreation, community planning and development, and general administration. Property taxes, other taxes, grants, and contributions finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include electric services and Huntersville Family Fitness and Aquatics Center. The final category is the component unit. The Town does not have a component unit.

The government-wide financial statements are on Exhibits 1 and 2 of the basic financial statements.

## Fund Financial Statements

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

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give 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 Town'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 Town of Huntersville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the 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** – The Town of Huntersville has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Huntersville uses enterprise funds to account for its electric operations and the operation of Huntersville Family Fitness and Aquatics Center. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements** – The information reported in the notes to the financial statements provide additional disclosure necessary to have a complete understanding of the data presented in the government-wide financial statements.

**Other Financial Information** – In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information for the Law Enforcement Special Separation Allowance. Required supplementary information follows the notes to the financial statements.

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

## The Town of Huntersville's Net Position

**Figure 2**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Assets:</b>						
Current and other assets	\$ 89,738,899	\$ 89,397,109	\$ 5,908,799	\$ 2,129,248	\$ 95,647,698	\$ 91,526,357
Capital assets	116,549,451	108,660,043	30,174,400	30,217,925	146,723,851	138,877,968
Total assets	<u>206,288,350</u>	<u>198,057,152</u>	<u>36,083,199</u>	<u>32,347,173</u>	<u>242,371,549</u>	<u>230,404,325</u>
<b>Deferred Outflows of Resources</b>	<u>5,843,735</u>	<u>3,568,004</u>	<u>-</u>	<u>-</u>	<u>5,843,735</u>	<u>3,568,004</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	55,246,696	55,652,229	297,752	330,336	55,544,448	55,982,565
Other liabilities	14,490,735	9,718,553	2,935,320	2,347,565	17,426,055	12,066,118
Total liabilities	<u>69,737,431</u>	<u>65,370,782</u>	<u>3,233,072</u>	<u>2,677,901</u>	<u>72,970,503</u>	<u>68,048,683</u>
<b>Deferred Inflows of Resources</b>	<u>696,591</u>	<u>2,088,489</u>	<u>-</u>	<u>-</u>	<u>696,591</u>	<u>2,088,489</u>
<b>Net Position:</b>						
Net investment in capital assets	88,475,847	77,926,213	29,851,648	29,862,589	118,327,495	107,788,802
Restricted	22,473,995	24,680,256	-	-	22,473,995	24,680,256
Unrestricted	30,748,221	31,559,416	2,998,479	(193,317)	33,746,700	31,366,099
Total net position	<u>\$ 141,698,063</u>	<u>\$ 134,165,885</u>	<u>\$ 32,850,127</u>	<u>\$ 29,669,272</u>	<u>\$ 174,548,190</u>	<u>\$ 163,835,157</u>

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Huntersville exceeded liabilities and deferred inflows of resources by \$174,548,190 as of June 30, 2021. The Town's net position increased by \$10,713,033 for the fiscal year ended June 30, 2021. However, a large portion reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Huntersville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Huntersville's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.55%.
- In addition to the conservative estimates of the revaluation, property tax collections exceeded budgeted estimates.
- Increase in local option sales tax over previous year of 11.34% or \$698,200.

## Town of Huntersville's Changes in Net Position

**Figure 3**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,451,551	\$ 2,597,499	\$ 25,221,507	\$ 24,157,641	\$ 27,673,058	\$ 26,755,140
Operating grants and contributions	3,187,005	2,718,722	-	-	3,187,005	2,718,722
Capital grants and contributions	5,144,563	2,060,482	-	-	5,144,563	2,060,482
General revenues:						
Property taxes	24,044,123	23,043,924	-	-	24,044,123	23,043,924
Other taxes	13,774,192	13,101,174	-	-	13,774,192	13,101,174
NCMPA rebate	-	-	3,656,001	2,207,166	3,656,001	2,207,166
Other	7,994,546	8,725,796	44,880	40,115	8,039,426	8,765,911
Total revenues	<u>56,595,980</u>	<u>52,247,597</u>	<u>28,922,388</u>	<u>26,404,922</u>	<u>85,518,368</u>	<u>78,652,519</u>
<b>Expenses:</b>						
General government	3,436,802	2,534,841	-	-	3,436,802	2,534,841
Public safety	19,265,723	18,145,124	-	-	19,265,723	18,145,124
Transportation	4,287,961	4,136,433	-	-	4,287,961	4,136,433
Planning	1,302,065	1,342,741	-	-	1,302,065	1,342,741
Public works	18,578,684	13,479,038	-	-	18,578,684	13,479,038
Culture and recreation	465,760	5,341,704	-	-	465,760	5,341,704
Interest on long-term debt	1,726,807	1,466,083	-	-	1,726,807	1,466,083
Fitness & Aquatics Fund	-	-	3,007,880	3,963,700	3,007,880	3,963,700
Electric	-	-	22,733,653	20,720,393	22,733,653	20,720,393
Total expenses	<u>49,063,802</u>	<u>46,445,964</u>	<u>25,741,533</u>	<u>24,684,093</u>	<u>74,805,335</u>	<u>71,130,057</u>
Change in net position	7,532,178	5,801,633	3,180,855	1,720,829	10,713,033	7,522,462
Net position, July 1	<u>134,165,885</u>	<u>128,364,252</u>	<u>29,669,272</u>	<u>27,948,443</u>	<u>163,835,157</u>	<u>156,312,695</u>
Net position, June 30	<u>\$ 141,698,063</u>	<u>\$ 134,165,885</u>	<u>\$ 32,850,127</u>	<u>\$ 29,669,272</u>	<u>\$ 174,548,190</u>	<u>\$ 163,835,157</u>

**Governmental Activities.** Governmental activities increased the Town's net position by \$7,532,178. The key element of this increase reflects an increase property receipts in spite of a flat tax rate due to an increase of property tax values of \$340,538,632 or 3.5%.

**Business-Type Activities.** Business-type activities increased the Town of Huntersville's net position by \$3,180,855. There was an increase in some electric rate classes and an increase in the rebate amount from the power agencies of \$1,448,835 or 65.6%.



## Financial Analysis of the Town's Funds

The Town of Huntersville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The Town's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget and Fiscal Control Act of the North Carolina General Statutes. The General Fund is the most significant fund budgeted. The focus of the Town of Huntersville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Huntersville's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Huntersville. At the end of the current fiscal year, unassigned fund balance in the General Fund was \$18,156,278 while total fund balance reached \$58,467,724. The Town updated its fund balance policy to 40% of the current year original budget appropriation to be earmarked for capital reserve purposes. This freed up opportunities to fund capital on a pay as you basis resulting in a decrease of unassigned fund balance of \$2,411,182. As a result the Town budgeted to spend \$4,464,301 in fund balance for capital purposes in FY 2021. The Town currently has an available fund balance of 93.2% General Fund expenditures, while total fund balance represents 116.37% of the same amount.

The Town's Grants Fund is a major special revenue fund set up for grant monies that have been legally restricted for specific expenditures. The negative fund balance represents expenditures the Town funded and awaits reimbursement from North Carolina Department of Revenue and FEMA. The decrease in negative fund balance is due some reimbursements from North Carolina Department of Revenue that were received in the fiscal year.

The Bond Fund 2020 is a Major Capital Project Fund. The decrease in fund balance is from the additional work done on several ongoing large projects, like Gilead Road West, Main Street, and Patterson Road Extension and Gibson Park Drive.

At June 30, 2021, the governmental funds of the Town of Huntersville reported a combined fund balance of \$79,608,592, a 2.3 percent decrease over prior year primarily due to funding multiple transportation, public improvement, park and greenway projects. Included in this change in fund balance is the decrease in the General Fund of \$1,622,573, which is a 2.7 percent decrease over last year. This decrease is primarily due to an increase in capital funding which included various park projects such as applying turf to the Barry Park soccer field, updating lighting at baseball fields, resurfacing tennis courts and construction of Rosedale Nature Park. Also, the Town initiated several transportation projects such as Stumptown Road improvements and various other transportation projects began engineering and design.

**General Fund Budgetary Highlights:** The Town's annual balanced budget is prepared in the modified accrual basis of accounting in accordance with the Budget and Fiscal Control Act of the North Carolina General Statutes. The General Fund is the most significant fund budgeted. During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. The primary changes in fund balance are due to increase in debt service payments on the 2020 Bonds, multiple staff additions and continued funding of capital projects.

**Proprietary Funds.** The Town of Huntersville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Electric Fund at the end of the fiscal year amounted to \$7,682,741, and those for the Huntersville Fitness and Aquatics Center amounted to (\$4,684,262). The total change in net position for both funds was an increase of \$3,566,428 and a decrease of \$385,573, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town of Huntersville's business-type activities.

## Capital Asset and Debt Administration

**Capital Assets.** The Town of Huntersville's investment in capital assets for its governmental and business-type activities as of June 30, 2021 totals \$146,723,851 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles. As required by GASB 34, the Town was required to retroactively report infrastructure assets starting in fiscal years ended June 30, 2007. Figure 4 reflects this reporting requirement.

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

- Buildout of the Town's road network in FY 2021 was approximately \$5,144,563.
- Electric line, transformers and other capital additions totaled \$1,756,805.

### Town of Huntersville's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Land	\$ 26,418,450	\$ 26,645,701	\$ 413,771	\$ 413,771	\$ 26,832,221	\$ 27,059,472
Construction in progress	10,607,898	3,697,641	-	-	10,607,898	3,697,641
Land improvements	4,062,551	4,698,814	10,719	12,361	4,073,270	4,711,175
Buildings	26,464,987	27,194,355	6,077,674	6,355,367	32,542,661	33,549,722
Vehicles	1,457,087	1,529,658	219,208	269,466	1,676,295	1,799,124
Furniture & equipment	1,471,711	1,134,392	1,035,342	1,337,186	2,507,053	2,471,578
Infrastructure	46,001,244	43,696,025	-	-	46,001,244	43,696,025
Substations, lines & related equipment	-	-	22,417,686	21,829,774	22,417,686	21,829,774
Computers & software	65,523	63,457	-	-	65,523	63,457
Total	<u>\$ 116,549,451</u>	<u>\$ 108,660,043</u>	<u>\$ 30,174,400</u>	<u>\$ 30,217,925</u>	<u>\$ 146,723,851</u>	<u>\$ 138,877,968</u>

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

**Long-Term Debt.** As of June 30, 2021, the Town of Huntersville had total debt outstanding of \$60,159,650.

### Town of Huntersville's Outstanding Debt Long-Term Debt

**Figure 5**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
General obligation bonds	\$ 32,573,000	\$ 34,917,000	\$ 300,000	\$ 325,000	\$ 32,873,000	\$ 35,242,000
Limited obligation bonds	5,674,994	6,734,994	-	-	5,674,994	6,734,994
Premium on long-term debt	2,950,623	3,528,070	22,752	30,336	2,973,375	3,558,406
Direct placement installment purchase	3,480,000	3,770,000	-	-	3,480,000	3,770,000
Compensated absences	872,202	819,021	-	-	872,202	819,021
Net pension liability (LGERS)	6,354,981	4,769,828	-	-	6,354,981	4,769,828
Total pension liability (LEOSSA)	4,679,433	2,965,090	-	-	4,679,433	2,965,090
Other post-employment benefits	3,251,665	2,661,247	-	-	3,251,665	2,661,247
Total	<u>\$ 59,836,898</u>	<u>\$ 60,165,250</u>	<u>\$ 322,752</u>	<u>\$ 355,336</u>	<u>\$ 60,159,650</u>	<u>\$ 60,520,586</u>

The Town does not have any remaining authorized non-issued bonds available to be sold.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The Town's legal debt margin at the end of the year is approximately \$756,889,130.

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

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

The following key economic indicators reflect the growth and prosperity of the Town.

- Gradual recovery from the COVID-19 recession as reflected in the decline in the Huntersville unemployment rate from 6.4% in June 2020 to 3.8% in June 2021.
- Building permits issued in FY 2021 increased 7% over FY 2020.
- Continued growth in property tax base with Town assessed value exceeding \$9.9 billion.
- Commercial development construction of Selwyn Property Group, MDH Partners and continued changes as result of new ownership of Birkdale Village .

As has been widely reported, in early 2020, a worldwide pandemic associated with the Coronavirus emerged, and its impact continues. General responses to manage the pandemic have included many extraordinary measures designed to reduce physical human interactions, including the temporary suspension of a wide range of events and activities that involve gatherings of people and the temporary closing of many institutions and commercial establishments locally, nationally and internationally. This pandemic has also created crises in the health care delivery system across the globe. The Town has budgeted some decreases in sales tax, prepared food and beverage tax and occupancy tax receipts in FY 2021 some of which materialized, and some did not. The Town continues to actively track the financial impacts of the Coronavirus pandemic and expects financial impacts to continue for the foreseeable future, including receipt of federal American Rescue Plan funding and its allowable expenditures.

### **Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities.** The Town Manager's recommended operating budget for the FY 2022 was adopted by the Town Board on June 7, 2021. The FY 2022 operating budget is an approximate 12.4% increase from the prior year adopted budget. Highlights of changes in the Town's General Fund planned expenditures in FY 2022 includes use of \$4.073 million of fund balance to fund major capital improvements down from \$4.464 million funded in FY 2021. The Stormwater reserves are anticipated to decline \$830,000 to fund a major stormwater project including the stormwater restoration project near North Meck Park. In addition, increase of \$150,000 in the fire department allocation, replacement of outdated technology in the Police department of \$124,510, seven additional civilian employees in the Police department, additional ten positions throughout the rest of the Town and increases in labor and materials for new sidewalk additions and ADA compliance in our sidewalk program.

**Business Activities.** Expenses in the Town's Electric Fund are budgeted at \$29,037,040 which is a 27.2% increase over the prior year budget primarily due to an increase in capital of \$3,333,800 including substation improvements and new residential and commercial expansion and increase in power purchase cost of \$3,769,000. HFFA (Huntersville Family Fitness and Aquatics) decreased \$112,994 to \$3,627,065 in the FY 2022 budget largely attributable to an anticipated decline in usage as a result of Covid 19 impacts.

### **Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Town of Huntersville, PO Box 664, Huntersville, North Carolina 28070.

## **BASIC FINANCIAL STATEMENTS**



# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## STATEMENT OF NET POSITION JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 50,501,106	\$ 7,559,204	\$ 58,060,310
Taxes receivables, net	104,332	-	104,332
Accounts receivable, net	528,019	2,495,048	3,023,067
Due from other governments	3,491,624	72,515	3,564,139
Internal balances	4,733,786	(4,733,786)	-
Prepaid items	169,807	725	170,532
Inventories	-	179,350	179,350
Cash and cash equivalents - restricted	30,210,225	335,743	30,545,968
Total current assets	<u>89,738,899</u>	<u>5,908,799</u>	<u>95,647,698</u>
Capital assets:			
Land and construction in progress	37,026,348	413,771	37,440,119
Other capital assets, net of depreciation	79,523,103	29,760,629	109,283,732
Total capital assets	<u>116,549,451</u>	<u>30,174,400</u>	<u>146,723,851</u>
Total assets	<u>206,288,350</u>	<u>36,083,199</u>	<u>242,371,549</u>
<b>Deferred Outflows of Resources:</b>			
Charge of refunding	103,890	-	103,890
OPEB deferrals	592,931	-	592,931
Pension deferrals	5,146,914	-	5,146,914
Total deferred outflows of resources	<u>5,843,735</u>	<u>-</u>	<u>5,843,735</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued expenses	6,169,253	2,574,577	8,743,830
Advances from grantor	3,135,125	-	3,135,125
Liabilities payable from restricted assets	291,164	335,743	626,907
Prepaid rentals	14,147	-	14,147
Prepaid fees	290,844	-	290,844
Due within one year	4,590,202	25,000	4,615,202
Total current liabilities	<u>14,490,735</u>	<u>2,935,320</u>	<u>17,426,055</u>
Long-term liabilities:			
Due in more than one year	40,960,617	297,752	41,258,369
Total OPEB liability	3,251,665	-	3,251,665
Net pension liability - LGERS	6,354,981	-	6,354,981
Total pension liability - LEOSSA	4,679,433	-	4,679,433
Total long-term liabilities	<u>55,246,696</u>	<u>297,752</u>	<u>55,544,448</u>
Total liabilities	<u>69,737,431</u>	<u>3,233,072</u>	<u>72,970,503</u>

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<u><b>Governmental Activities</b></u>	<u><b>Business-Type Activities</b></u>	<u><b>Total</b></u>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	4,934	-	4,934
Prepaid donations	32,148	-	32,148
OPEB deferrals	495,518	-	495,518
Pension deferrals	163,991	-	163,991
Total deferred inflows of resources	<u>696,591</u>	<u>-</u>	<u>696,591</u>
<b>Net Position:</b>			
Net investment in capital assets	88,475,847	29,851,648	118,327,495
Restricted:			
Stabilization by state statute	11,982,701	-	11,982,701
Streets - Powell Bill	2,722,292	-	2,722,292
Restricted for future capital projects	663,581	-	663,581
Occupancy tax	2,860,661	-	2,860,661
Stormwater projects	4,244,760	-	4,244,760
Unrestricted	<u>30,748,221</u>	<u>2,998,479</u>	<u>33,746,700</u>
Total net position	<u><u>\$ 141,698,063</u></u>	<u><u>\$ 32,850,127</u></u>	<u><u>\$ 174,548,190</u></u>

*The accompanying notes are an integral part of the financial statements.*





**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Program Revenues</b>		
		<b>Charges for</b>	<b>Operating</b>	<b>Capital</b>
	<b>Expenses</b>	<b>Services</b>	<b>Grants and</b>	<b>Grants and</b>
			<b>Contributions</b>	<b>Contributions</b>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 3,436,802	\$ 168,816	\$ 14,123	\$ -
Transportation	4,287,961	973,276	407,700	-
Planning	1,302,065	78,933	-	-
Public safety	19,265,723	15,043	997,335	-
Public works	18,578,684	721,880	1,473,017	5,144,563
Cultural and recreation	465,760	493,603	294,830	-
Interest on long-term debt	1,726,807	-	-	-
Total governmental activities	<u>49,063,802</u>	<u>2,451,551</u>	<u>3,187,005</u>	<u>5,144,563</u>
<b>Business-Type Activities:</b>				
Electric Fund	22,733,653	22,599,200	-	-
Huntersville Family Fitness and Aquatic Fund	<u>3,007,880</u>	<u>2,622,307</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>25,741,533</u>	<u>25,221,507</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 74,805,335</u>	<u>\$ 27,673,058</u>	<u>\$ 3,187,005</u>	<u>\$ 5,144,563</u>

*The accompanying notes are an integral part of the financial statements.*

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Functions/Programs:</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (3,253,863)	\$ -	\$ (3,253,863)
Transportation	(2,906,985)	-	(2,906,985)
Planning	(1,223,132)	-	(1,223,132)
Public safety	(18,253,345)	-	(18,253,345)
Public works	(11,239,224)	-	(11,239,224)
Cultural and recreation	322,673	-	322,673
Interest on long-term debt	(1,726,807)	-	(1,726,807)
Total governmental activities	<u>(38,280,683)</u>	<u>-</u>	<u>(38,280,683)</u>
<b>Business-Type Activities:</b>			
Electric Fund	-	(134,453)	(134,453)
Huntersville Family Fitness and Aquatic Fund	<u>-</u>	<u>(385,573)</u>	<u>(385,573)</u>
Total business-type activities	<u>-</u>	<u>(520,026)</u>	<u>(520,026)</u>
Total primary government	<u>(38,280,683)</u>	<u>(520,026)</u>	<u>(38,800,709)</u>
<b>General Revenues:</b>			
Taxes:			
Ad valorem taxes	24,044,123	-	24,044,123
Local option sales tax	10,347,087	-	10,347,087
Other taxes	3,427,105	-	3,427,105
Unrestricted intergovernmental revenues	6,966,258	-	6,966,258
NCMPA rebate	-	3,656,001	3,656,001
Investments earnings	54,004	44,880	98,884
Miscellaneous	974,284	-	974,284
Total general revenues	<u>45,812,861</u>	<u>3,700,881</u>	<u>49,513,742</u>
Change in net position	7,532,178	3,180,855	10,713,033
<b>Net Position:</b>			
Beginning of year - July 1	<u>134,165,885</u>	<u>29,669,272</u>	<u>163,835,157</u>
End of year - June 30	<u>\$ 141,698,063</u>	<u>\$ 32,850,127</u>	<u>\$ 174,548,190</u>

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

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<b>General Fund</b>	<b>Grants Fund</b>	<b>Bond Fund 2020</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Assets:</b>					
Cash and cash investments	\$ 45,258,938	\$ -	\$ -	\$ 5,242,168	\$ 50,501,106
Taxes receivable, net	104,332	-	-	-	104,332
Accounts receivable, net	2,513	440,675	-	84,831	528,019
Due from other governments	3,491,624	-	-	-	3,491,624
Due from other funds	4,740,809	-	-	-	4,740,809
Prepaid items	169,807	-	-	-	169,807
Restricted cash and cash equivalents	10,966,580	2,742,522	15,644,429	856,694	30,210,225
Total assets	<u>\$ 64,734,603</u>	<u>\$ 3,183,197</u>	<u>\$ 15,644,429</u>	<u>\$ 6,183,693</u>	<u>\$ 89,745,922</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 5,197,068	\$ 380,624	\$ 276,501	\$ 30,842	\$ 5,885,035
Due to other funds	7,023	-	-	-	7,023
Prepaid rentals	14,147	-	-	-	14,147
Prepaid fees	290,844	-	-	-	290,844
Advances from grantor	322,789	2,812,336	-	-	3,135,125
Payable from restricted assets	291,164	-	-	-	291,164
Total liabilities	<u>6,123,035</u>	<u>3,192,960</u>	<u>276,501</u>	<u>30,842</u>	<u>9,623,338</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	104,332	-	-	-	104,332
Solid waste receivable	2,430	-	-	-	2,430
Unavailable revenue	-	370,148	-	-	370,148
Prepaid taxes	4,934	-	-	-	4,934
Prepaid donations	32,148	-	-	-	32,148
Total deferred inflows of resources	<u>143,844</u>	<u>370,148</u>	<u>-</u>	<u>-</u>	<u>513,992</u>
<b>Fund Balances:</b>					
<b>Non-Spendable:</b>					
Prepays	169,807	-	-	-	169,807
<b>Restricted:</b>					
Stabilization by state statute	11,470,034	70,527	-	442,140	11,982,701
Streets - Powell Bill	2,722,292	-	-	-	2,722,292
Future capital projects	942,971	-	15,367,928	853,805	17,164,704
Occupancy tax	2,860,661	-	-	-	2,860,661
Stormwater projects	4,244,760	-	-	-	4,244,760
<b>Committed:</b>					
Debt service	2,012,365	-	-	-	2,012,365
Capital projects	11,231,177	-	-	541,718	11,772,895
<b>Assigned:</b>					
Emergency services	584,108	-	-	-	584,108
Transportation	-	-	-	2,553,242	2,553,242
Land development	-	-	-	706,187	706,187
Commerce Station	-	-	-	1,055,759	1,055,759
Subsequent year's expenditures	4,073,271	-	-	-	4,073,271
<b>Unassigned:</b>	<u>18,156,278</u>	<u>(450,438)</u>	<u>-</u>	<u>-</u>	<u>17,705,840</u>
Total fund balance	<u>58,467,724</u>	<u>(379,911)</u>	<u>15,367,928</u>	<u>6,152,851</u>	<u>79,608,592</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 64,734,603</u>	<u>\$ 3,183,197</u>	<u>\$ 15,644,429</u>	<u>\$ 6,183,693</u>	

*The accompanying notes are an integral part of the financial statements.*

TOWN OF HUNTERSVILLE, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<u>Total</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	116,549,451
Deferred outflows of resources related to pensions are not reported in the funds.	5,146,914
Deferred outflows of resources related to OPEB are not reported in the funds.	592,931
Deferred outflows of resources related to charge on refunding	103,890
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Long-term debt	(44,678,617)
Unamortized bond premium/discount	
Accrued interest	(284,218)
Compensated absences	(872,202)
Net pension liability	(6,354,981)
Total pension liability	(4,679,433)
OPEB liability	(3,251,665)
Deferred inflows of resources related to pensions are not reported in the funds.	(163,991)
Deferred inflows of resources related to OPEB are not reported in the funds.	(495,518)
Deferred inflows of resources for taxes receivable	104,332
Deferred inflows of resources for unavailable revenue	370,148
Deferred inflows of resources for solid waste receivable	<u>2,430</u>
Net position of governmental activities	<u>\$ 141,698,063</u>

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>General Fund</b>	<b>Grants Fund</b>	<b>Bond Fund 2020</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Revenues:</b>					
Ad valorem taxes	\$ 23,670,601	\$ -	\$ -	\$ 372,325	\$ 24,042,926
Other taxes	13,774,192	-	-	-	13,774,192
Unrestricted intergovernmental revenues	6,966,258	-	-	-	6,966,258
Restricted intergovernmental revenues	1,852,872	2,418,891	-	1,336	4,273,099
Permits and fees	756,395	-	-	973,276	1,729,671
Land development fees	-	-	-	721,880	721,880
Investment earnings	48,671	-	3,217	2,116	54,004
Miscellaneous	1,540,768	22	-	-	1,540,790
Total revenues	<u>48,609,757</u>	<u>2,418,913</u>	<u>3,217</u>	<u>2,070,933</u>	<u>53,102,820</u>
<b>Expenditures:</b>					
Current:					
General government	3,319,035	12,805	-	183,631	3,515,471
Transportation	206,412	407,700	-	831,945	1,446,057
Planning	1,224,871	-	-	-	1,224,871
Public safety	16,963,289	793,885	-	-	17,757,174
Public works	18,929,354	-	1,387,505	485,729	20,802,588
Cultural and recreation	4,589,136	135,348	-	37,190	4,761,674
Debt service:					
Principal	3,429,000	-	-	265,000	3,694,000
Interest and issuance costs	1,580,227	-	-	232,688	1,812,915
Total expenditures	<u>50,241,324</u>	<u>1,349,738</u>	<u>1,387,505</u>	<u>2,036,183</u>	<u>55,014,750</u>
Revenues over (under) expenditures	<u>(1,631,567)</u>	<u>1,069,175</u>	<u>(1,384,288)</u>	<u>34,750</u>	<u>(1,911,930)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (to) other funds	-	-	-	(8,994)	(8,994)
Transfer from other funds	8,994	-	-	-	8,994
Total other financing sources (uses)	<u>8,994</u>	<u>-</u>	<u>-</u>	<u>(8,994)</u>	<u>-</u>
Net change in fund balances	(1,622,573)	1,069,175	(1,384,288)	25,756	(1,911,930)
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>60,090,297</u>	<u>(1,449,086)</u>	<u>16,752,216</u>	<u>6,127,095</u>	<u>81,520,522</u>
End of year - June 30	<u>\$ 58,467,724</u>	<u>\$ (379,911)</u>	<u>\$ 15,367,928</u>	<u>\$ 6,152,851</u>	<u>\$ 79,608,592</u>

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

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b><u>Total Governmental Funds</u></b>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different due to the following items:	
Net changes in fund balances - total governmental funds (Exhibit 4)	\$ (1,911,930)
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. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.	
Capital outlay	13,857,612
Depreciation	(5,402,124)
Net book value of disposed capital assets	(566,080)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.	(1,085,323)
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.	112,208
Deferred charge related to refunding	(26,100)
The issuance of long-term debt provides current financial resources to the 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments on long-term debt, debt proceeds, and amortization of premium	4,271,447
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	(53,181)
Pension expense	(1,372,529)
OPEB plan expense	(291,822)
Change in net position	<u>\$ 7,532,178</u>

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**GENERAL FUND AND ANNUALLY BUDGETED  
MAJOR SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund			
	Budgeted Amounts			Variance from Final Budget Over/Under
	Original	Final	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 22,882,300	\$ 22,882,300	\$ 23,670,601	\$ 788,301
Other taxes	11,601,270	11,601,270	13,774,192	2,172,922
Unrestricted intergovernmental	6,672,045	6,672,045	6,966,258	294,213
Restricted intergovernmental	2,098,798	2,098,798	1,852,872	(245,926)
Permits and fees	1,059,165	1,059,165	756,395	(302,770)
Investment earnings	300,000	300,000	48,671	(251,329)
Miscellaneous	432,817	725,179	1,540,768	815,589
Total revenues	45,046,395	45,338,757	48,609,757	3,271,000
<b>Expenditures:</b>				
Current:				
General government	3,398,985	3,468,171	3,319,035	149,136
Town Center and Parking Deck	270,535	270,535	206,412	64,123
Planning	1,211,675	1,358,566	1,224,871	133,695
Public safety	18,101,669	18,346,078	16,963,289	1,382,789
Public works	17,015,285	29,836,883	18,929,354	10,907,529
Cultural and recreation	5,458,852	5,766,784	4,589,136	1,177,648
Debt service:				
Principal	3,432,818	3,432,818	3,429,000	3,818
Interest	1,580,227	1,580,227	1,580,227	-
Total expenditures	50,470,046	64,060,062	50,241,324	13,818,738
Revenues over (under) expenditures	(5,423,651)	(18,721,305)	(1,631,567)	17,089,738
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	8,994	8,994
Appropriated fund balance	5,423,651	18,721,305	-	(18,721,305)
Total other financing sources (uses)	5,423,651	18,721,305	8,994	(18,712,311)
Net change in fund balance	\$ -	\$ -	(1,622,573)	\$ (1,622,573)
<b>Fund Balance:</b>				
Beginning of year - July 1			60,090,297	
End of year - June 30			\$ 58,467,724	

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



TOWN OF HUNTERSVILLE, NORTH CAROLINA

GENERAL FUND AND ANNUALLY BUDGETED  
MAJOR SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021

	Grants Special Revenue Fund		
	Budgeted Amounts		Variance from Final Budget Over/Under
	Original	Final	
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-
Unrestricted intergovernmental	-	-	-
Restricted intergovernmental	-	24,426,196	2,418,891
Permits and fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	22
Total revenues	-	24,426,196	2,418,913
<b>Expenditures:</b>			
Current:			
General government	-	12,806	12,805
Transportation	-	20,749,792	407,700
Planning	-	-	-
Public safety	-	3,412,178	793,885
Public works	-	-	-
Cultural and recreation	-	252,535	135,348
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	24,427,311	1,349,738
Revenues over (under) expenditures	-	(1,115)	1,069,175
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	1,115	-
Appropriated fund balance	-	-	-
Total other financing sources (uses)	-	1,115	(1,115)
Net change in fund balance	\$ -	\$ -	\$ 1,069,175
<b>Fund Balance:</b>			
Beginning of year - July 1			(1,449,086)
End of year - June 30			\$ (379,911)

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

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2021

	Business-Type Activities Enterprise Funds		Total
	Electric Fund	Huntersville Family Fitness and Aquatics Fund	
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 7,477,500	\$ 81,704	\$ 7,559,204
Restricted cash	335,743	-	335,743
Accounts receivable	2,449,273	45,775	2,495,048
Due from other governments	72,515	-	72,515
Due from other funds	7,023	-	7,023
Inventories	179,350	-	179,350
Prepaid items	725	-	725
Total current assets	10,522,129	127,479	10,649,608
Capital assets:			
Land and other non-depreciable assets	413,771	-	413,771
Other capital assets, net of depreciation	22,717,502	7,043,127	29,760,629
Total capital assets	23,131,273	7,043,127	30,174,400
Total assets	33,653,402	7,170,606	40,824,008
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	2,503,645	70,932	2,574,577
Due to other funds	-	4,740,809	4,740,809
Liabilities payable from restricted assets	335,743	-	335,743
Current portion of long-term debt	-	25,000	25,000
Total current liabilities	2,839,388	4,836,741	7,676,129
Non-current liabilities:			
Non-current portion of long-term debt	-	297,752	297,752
Total liabilities	2,839,388	5,134,493	7,973,881
<b>Net Position:</b>			
Net investment in capital assets	23,131,273	6,720,375	29,851,648
Unrestricted	7,682,741	(4,684,262)	2,998,479
Total net position	\$ 30,814,014	\$ 2,036,113	\$ 32,850,127

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

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds		
	Electric Fund	Huntersville Family Fitness and Aquatics Fund	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 21,574,737	\$ 1,088,434	\$ 22,663,171
Other operating revenues	1,024,463	1,533,873	2,558,336
Total operating revenues	<u>22,599,200</u>	<u>2,622,307</u>	<u>25,221,507</u>
<b>Operating Expenses:</b>			
Electric operations	3,339,448	-	3,339,448
Electric power purchases	18,123,086	-	18,123,086
Family fitness and aquatics operations	-	2,380,413	2,380,413
Depreciation and amortization	1,271,119	616,573	1,887,692
Total operating expenses	<u>22,733,653</u>	<u>2,996,986</u>	<u>25,730,639</u>
Operating income (loss)	<u>(134,453)</u>	<u>(374,679)</u>	<u>(509,132)</u>
<b>Non-Operating Revenues:</b>			
Investment earnings	44,880	-	44,880
NCMPA rebate	3,656,001	-	3,656,001
Interest and other charges	-	(10,894)	(10,894)
Total non-operating revenues (expenses)	<u>3,700,881</u>	<u>(10,894)</u>	<u>3,689,987</u>
Change in net position	3,566,428	(385,573)	3,180,855
<b>Net Position:</b>			
Beginning of year - July 1	<u>27,247,586</u>	<u>2,421,686</u>	<u>29,669,272</u>
End of year - June 30	<u>\$ 30,814,014</u>	<u>\$ 2,036,113</u>	<u>\$ 32,850,127</u>

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

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds		
	Electric Fund	Huntersville Family Fitness and Aquatics Fund	Total
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 21,409,289	\$ 1,070,614	\$ 22,479,903
Cash paid to employees	(1,413,797)	-	(1,413,797)
Cash paid for goods and services	(19,453,511)	(2,436,193)	(21,889,704)
Other operating revenues	1,023,908	1,533,873	2,557,781
Net cash provided (used) by operating activities	1,565,889	168,294	1,734,183
<b>Cash Flows from Non-Operating Activities:</b>			
NCMPA Rebate	3,656,001	-	3,656,001
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(1,799,465)	(52,285)	(1,851,750)
Principal payments on long-term debt	-	(25,000)	(25,000)
Interest payments on long-term debt	-	(11,294)	(11,294)
Net cash provided (used) by capital and related financing activities	(1,799,465)	(88,579)	(1,888,044)
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	44,880	-	44,880
Net increase (decrease) in cash and cash equivalents	3,467,305	79,715	3,547,020
<b>Cash and Cash Equivalents:</b>			
Beginning of year - July 1	4,345,938	1,989	4,347,927
End of year - June 30	\$ 7,813,243	\$ 81,704	\$ 7,894,947
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>			
Operating income (loss)	\$ (134,453)	\$ (374,679)	\$ (509,132)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,271,119	624,157	1,895,276
Amortization of bond premium	-	(7,584)	(7,584)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(213,692)	(17,820)	(231,512)
(Increase) decrease in due from other governments	(555)	-	(555)
(Increase) decrease in inventories	261	-	261
(Increase) decrease in prepaid items	(725)	-	(725)
Increase (decrease) in accounts payable and accrued liabilities	595,690	(55,780)	539,910
Increase (decrease) in customer deposits	48,244	-	48,244
Total adjustments	1,700,342	542,973	2,243,315
Net cash provided (used) by operating activities	\$ 1,565,889	\$ 168,294	\$ 1,734,183

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

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Huntersville (the "Town") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

#### A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Mayor and a six-member Board of Commissioners. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

#### B. Basis of Presentation

*Government-Wide Statements.* The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements.* The fund financial statements provide information about the Town's funds. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor 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, result from non-exchange transactions. Other non-operating revenues, such as investment earnings, are ancillary activities.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

The Town reports the following major governmental funds:

### **Governmental Funds**

**General Fund.** The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, intergovernmental revenues, and other taxes and licenses. The primary expenditures are for public safety, public works, cultural and recreation, and general governmental services.

**Grants Special Revenue Fund.** The Grants Special Revenue Fund is legally restricted to expenditures for specified purposes. These funds are grant monies to be used for specific purposes.

**Bond Fund 2020 Capital Project Fund.** The Bond Fund 2020 Capital Project Fund is used to account for the for the transportation projects in the Town which include the purchase of right of way, design and engineering of transportation projects including construction of roadways, curb and gutter and streetscapes.

The Town reports the following nonmajor governmental funds:

**Capital Projects Funds.** The capital projects funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by the proprietary funds). The Town has four capital projects funds: a General Capital Projects Fund and three individual funds to account for capital projects funded by bond proceeds. The individual bond funds are Bond Fund 2008, Bond Fund 2013, and Bond Fund 2016.

**Special Revenue Funds.** The special revenue funds account for collections of revenues to be used only for a specific project or purpose. The Town has three special revenue funds. The Transportation Reserve Fund is used to account for the yearly vehicle fees used to fund transportation improvements and debt service on the improvements. The Land Development Fund is used to account for revenues and expenses associated with permits and fees related to development services. The Commerce Station Fund is used to account for the related taxes and revenues of the regional business park to be used for costs and operations of the park.

The Town reports the following major enterprise funds:

**Electric Fund.** This fund is used to account for the Town's electric utility operations.

**Huntersville Family Fitness and Aquatics Fund.** This fund is used to account for the Town's fitness and aquatics center.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### C. Measurement Focus and Basis of Accounting

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

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

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 providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's 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 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 Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

### **D. Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the capital projects funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total revenues of any kind or that change functional appropriations. These amendments must also be approved by the governing board. During the year, several 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.

As required by state law [G.S. 159-26(d)], the Town maintains encumbrance accounts which are considered to be "Budgetary Accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed.

During the fiscal year, the Town's General Fund and other governmental funds are operated and managed on a budgetary basis that differs from the modified accrual basis of accounting that is used to prepare governmental fund financial statements. The differences between the budgetary basis and fund financial statements are due to debt service payments budgeted within specific departments, the recognition of encumbrances on the budgetary basis, and capital lease obligations incurred.



# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

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

#### **Deposits and Investments**

All deposits of the Town are made in Board-designated official depositories and are secured as required by state law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town 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 Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust ("NCCMT"). The Town's investments are generally reported at fair value. The NCCMT Government Portfolio, an SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented with a maturity of less than 6 months.

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

#### **Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Restricted Cash

Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S 136-41.1 through 136-41.4. Powell Bill funds are \$3,011,682 at June 30, 2021. Cash for future capital projects in general government, transportation/town center operations, public works and cultural and recreation totaling \$27,196,769 is restricted. Customer deposits of \$337,517, held by the Town before any services are supplied, are restricted to the service for which the deposit was collected.

#### Governmental Activities:

General government	\$ 942,971
Public safety	2,742,522
Public works	23,529,284
Cultural and recreation	<u>2,995,448</u>
Total governmental activities	<u>30,210,225</u>

#### Business-Type Activities:

Electric Fund:	
Customer deposits	<u>335,743</u>
Total business-type activities	<u>335,743</u>

Total restricted cash	<u><u>\$ 30,545,968</u></u>
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Restricted assets of \$24,454,247 at June 30, 2021, include unexpended bond proceeds of \$16,501,123 to be used for capital projects, \$4,016,479 to be used for stormwater projects, occupancy tax balance of \$2,993,674, escrow balances of \$57,895 for improvements at Bud Henderson, \$234,672 for improvements to Northcross Drive, EPCON \$17,413, Greenway/Holbrooks \$25,000, \$239,835 for Bond Administration, NCCMT \$138,578, \$155,645 for the construction of sidewalks and/or bike lane at Stephens Ridge, and \$28,036 for construction of sidewalks at SouthLake Christian and \$45,897 Aquesta Bank.

Restricted assets are \$335,743 for customer deposits within the Electric Fund. Rent deposits classified as restricted assets are \$1,774. Powell Bill funds classified as restricted assets are \$2,722,292. The difference in the restricted cash balance and restricted fund balance for Powell Bill is accounts payable from the restricted assets for \$289,362.

### Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1, (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020. Mecklenburg County and the Town of Huntersville do not allow discounts on ad valorem taxes on property.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated based on historical experience and current conditions.

### **Inventories and Prepaid Items**

Inventories of the Town are valued at cost. The cost of these inventories is recorded as an expense as the inventories are consumed.

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

### **Capital Assets**

Capital assets are defined by the Town as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost used by the Town is \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2002, consisting of roads, sidewalks, and curb and gutter are included in the accompanying June 30, 2021 financial statements. Infrastructure assets that were acquired or that received substantial improvements subsequent to July 1, 2002 are reported at cost or estimated fair value at time of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets, including assets recorded under capital leases, are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Streets and roads	30 years
Buildings	40 years
Land improvements	15 years
Vehicles	5 years
Furniture and equipment	5 to 8 years
Computer equipment	3 years

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position may sometimes report a separate section for deferred outflow 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 revenue or expenditure until then. The Town has three items that meet this criteria, pension and OPEB deferrals and deferred charge related to refunding. In addition to liabilities, the Statement of Net Position may 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 Town has several items that meet this criteria, advances from grantor, deferral of DARE revenue, prepaid taxes, prepaid donations, deferral of pension expense, OPEB deferrals, unavailable revenue, solid waste receivable, and taxes receivable.

### **Long-Term Obligations**

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

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

### **Compensated Absences**

The vacation policy of the Town provides for the limited accumulation of earned vacation leave (amount allowed to be accumulated is limited to 240 hours) with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a last-in, first-out method of using accumulated compensation time. The portion of that time that is estimated to be used in the next fiscal year is considered a current liability and has been reported in the government-wide financial statements.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Accumulated sick leave at June 30, 2021, amounted to approximately \$3,279,322. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

### **Net Position**

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

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

#### **Non-Spendable Fund Balance**

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

*Prepays* – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

#### **Restricted Fund Balance**

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by state law.

*Restricted for Stabilization by State Statute* – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by state statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal*

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

*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 non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

*Restricted for Streets - Powell Bill* – portion of fund balance that is available for appropriation, but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds less amounts to be paid from restricted assets.

*Restricted for Future Capital Projects* – portion of fund balance restricted by revenue source for future capital projects.

*Restricted for Occupancy Tax* – portion of fund balance derived from hotel/motel tax legally restricted.

*Restricted for Stormwater Projects* – portion of fund balance restricted by revenue source for future stormwater projects.

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of unspent debt proceeds of \$16,501,123, as of June 30, 2021.

Restricted fund balance for streets, occupancy tax, and stormwater varies by amounts to be paid from restricted assets and amounts restricted by stabilization of state statutes for restricted purposes.

#### **Committed Fund Balance**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for Debt Service* – portion of fund balance committed for debt service.

*Committed for Capital Projects* – portion of fund balance committed for capital projects.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Assigned Fund Balance**

Assigned fund balance is the portion of fund balance that the Town intends to use for specific purposes. The Town's governing body has the authority to assign fund balance. The Town Manager and Finance Officer, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

*Subsequent Year's Expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body (Council) approves the appropriation; however, the budget ordinance authorizes the Manager and Finance Officer to make certain modifications without requiring Board approval.

*Assigned for Emergency Services* – portion of fund balance that has been budgeted by the Board for activities related to emergency service projects.

*Assigned for Transportation* – portion of fund balance that has been budgeted by the Board for activities related to transportation projects.

*Assigned for Land Development* – portion of fund balance that has been budgeted by the Board for activities related to land development services.

*Assigned for Commerce Station* – portion of fund balance that has been budgeted by the Board for activities related to the regional business park for costs and operations.

### **Unassigned Fund Balance**

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

The Town has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 40% of the general operating budget, excluding the Hotel-Prepared Food Fund, Powell Bill Fund, and Stormwater Fund. Funds in excess of 40% of the current year original budget appropriation shall be earmarked for capital reserve purposes.

# TOWN OF HUNTERSVILLE, 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 that is available for appropriation.

Total fund balance - General Fund	\$ 58,467,724
<b>Less:</b>	
Prepays	169,807
Stabilization by state statute	<u>11,470,034</u>
Total available fund balance	<u><u>\$ 46,827,883</u></u>

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

	General Fund	Capital Projects Fund	Bond Fund 2013	Bond Fund 2016	Bond Fund 2020	Electric Fund	Transportation Reserve Fund
Encumbrances	<u>\$ 3,237,518</u>	<u>\$ 32,723</u>	<u>\$ 109,727</u>	<u>\$ 21,142</u>	<u>\$4,060,546</u>	<u>\$ 1,683,913</u>	<u>\$ 357,309</u>

### F. Revenues, Expenditures, and Expenses

#### Payments in Lieu of Annexation

During 1996 and 2000, the Town entered into agreements with Duke Energy. The agreements provide that the Town will not annex Duke Energy's McGuire Nuclear Station property until December 31, 2042, and Duke Energy agreed to make payments in lieu of annexation. The payments, which were in lieu of the taxes that would be due the Town if the McGuire Nuclear Station property had been annexed, continued through fiscal year 2004.

### G. Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts and depreciation lives.

### H. Defined Benefit Cost – Sharing Plan

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



# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **2. Detail Notes on All Funds**

#### **A. Assets**

##### **Deposits**

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

At June 30, 2021, the Town's deposits had a carrying amount of \$18,808,177 and a bank balance of \$19,887,240. Of the bank balance, approximately \$500,000 was covered by federal depository insurance, and the remaining amount was covered by collateral held under the Pooling Method. The Town utilizes a government advantage account at the end of each month, a net balance is calculated, and interest is applied. At year-end, the Town had \$1,700 cash on hand.

##### **Investments**

At June 30, 2021, the Town's had \$69,796,401 invested with the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investor Service.

*Interest Rate Risk.* As a means of limiting the Town's exposure to fair value losses arising from rising interest rates, the Town investment policy recommends diversification by investing in securities with varying maturities. Also, the Town continuously invests a portion of its portfolio in readily available funds such as a mutual fund for local government investment certified by the Local Government Commission pursuant to G.S. 159-30(c)(8), currently The North Carolina Capital Management Trust.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

*Credit Risk.* The Town has a formal policy regarding credit risk which states that the Town limits investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities) and limit investment in securities that have higher credit risk. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2021.

*Concentration of Credit Risk.* The Town places a limit for commercial paper that is no more than 5% of the Town's total investment portfolio may be concentrated with one issuer and issuers with at least one long-term rating are preferred.

### Receivables

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

	<u>Taxes</u>	<u>Accounts</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
Total receivables	\$ 309,536	\$ 589,847	\$ 3,491,624	\$ 4,391,007
Allowance for doubtful accounts	<u>(205,204)</u>	<u>(61,828)</u>	<u>-</u>	<u>(267,032)</u>
Total governmental activities	<u><u>\$ 104,332</u></u>	<u><u>\$ 528,019</u></u>	<u><u>\$ 3,491,624</u></u>	<u><u>\$ 4,123,975</u></u>
<b>Business-Type Activities:</b>				
Electric Fund	\$ -	\$ 2,507,314	\$ 72,515	\$ 2,579,829
Family Fitness and Aquatics Fund	<u>-</u>	<u>45,775</u>	<u>-</u>	<u>45,775</u>
Total receivables	-	2,553,089	72,515	2,625,604
Allowance for doubtful accounts	<u>-</u>	<u>(58,041)</u>	<u>-</u>	<u>(58,041)</u>
Total business-type activities	<u><u>\$ -</u></u>	<u><u>\$ 2,495,048</u></u>	<u><u>\$ 72,515</u></u>	<u><u>\$ 2,567,563</u></u>

Due from other governments that is owed to the Town consists of the following:

<b>Governmental Activities:</b>	
Local option sales tax	\$ 1,814,021
Utilities franchise tax	565,000
All other (sales tax, County tax collections, etc.)	<u>1,112,603</u>
	3,491,624
<b>Business-Type Activities:</b>	
Sales tax	<u>72,515</u>
Total	<u><u>\$ 3,564,139</u></u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Capital Assets

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

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 26,645,701	\$ 338,829	\$ (566,080)	\$ -	\$ 26,418,450
Construction in progress	<u>3,697,641</u>	<u>7,070,863</u>	<u>-</u>	<u>(160,606)</u>	<u>10,607,898</u>
Total non-depreciable capital assets	<u>30,343,342</u>	<u>7,409,692</u>	<u>(566,080)</u>	<u>(160,606)</u>	<u>37,026,348</u>
<b>Depreciable Capital Assets:</b>					
Land improvements	10,298,539	52,041	-	-	10,350,580
Buildings	35,518,668	-	-	160,606	35,679,274
Vehicles	8,823,387	573,820	(224,898)	-	9,172,309
Equipment	5,224,245	630,373	-	-	5,854,618
Software	261,054	47,123	-	-	308,177
Road network	<u>76,247,512</u>	<u>5,144,563</u>	<u>-</u>	<u>-</u>	<u>81,392,075</u>
Total depreciable capital assets	<u>136,373,405</u>	<u>6,447,920</u>	<u>(224,898)</u>	<u>160,606</u>	<u>142,757,033</u>
<b>Less Accumulated Depreciation:</b>					
Land improvements	5,599,725	688,304	-	-	6,288,029
Buildings	8,324,313	889,974	-	-	9,214,287
Vehicles	7,293,729	646,391	(224,898)	-	7,715,222
Equipment	4,089,853	293,054	-	-	4,382,907
Software	197,597	45,057	-	-	242,654
Road network	<u>32,551,487</u>	<u>2,839,344</u>	<u>-</u>	<u>-</u>	<u>35,390,831</u>
Total accumulated depreciation	<u>58,056,704</u>	<u>5,402,124</u>	<u>(224,898)</u>	<u>-</u>	<u>63,233,930</u>
Total depreciable capital assets, net	<u>78,316,701</u>	<u>1,045,796</u>	<u>-</u>	<u>160,606</u>	<u>79,523,103</u>
Governmental activities capital assets, net	<u>\$ 108,660,043</u>	<u>\$ 8,455,488</u>	<u>\$ (566,080)</u>	<u>\$ -</u>	<u>\$ 116,549,451</u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<b>Business-Type Activities:</b>				
<b>Electric Fund:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 413,771	\$ -	\$ -	\$ 413,771
<b>Depreciable Capital Assets:</b>				
Buildings	153,325	-	-	153,325
Substations, lines, and related equipment	35,134,780	1,756,805	-	36,891,585
Vehicles	721,905	42,660	-	764,565
Land improvements	24,628	-	-	24,628
Furniture and maintenance equipment	426,685	-	-	426,685
Total depreciable capital assets	<u>36,461,323</u>	<u>1,799,465</u>	<u>-</u>	<u>38,260,788</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	75,770	7,666	-	83,436
Substations, lines, and related equipment	13,305,006	1,168,893	-	14,473,899
Vehicles	452,439	92,918	-	545,357
Land improvements	12,267	1,642	-	13,909
Furniture and maintenance equipment	426,685	-	-	426,685
Total accumulated depreciation	<u>14,272,167</u>	<u>1,271,119</u>	<u>-</u>	<u>15,543,286</u>
Total depreciable capital assets, net	<u>22,189,156</u>	<u>528,346</u>	<u>-</u>	<u>22,717,502</u>
Electric Fund capital assets, net	<u>22,602,927</u>	<u>528,346</u>	<u>-</u>	<u>23,131,273</u>
<b>Huntersville Family Fitness and Aquatics (HFFA):</b>				
<b>Depreciable Capital Assets:</b>				
Buildings	10,801,099	-	-	10,801,099
Computers	7,207	-	-	7,207
Equipment	3,774,006	52,285	-	3,826,291
Software	92,824	-	-	92,824
Total depreciable capital assets	<u>14,675,136</u>	<u>52,285</u>	<u>-</u>	<u>14,727,421</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	4,523,287	270,027	-	4,793,314
Computers	7,207	-	-	7,207
Equipment	2,436,820	354,129	-	2,790,949
Software	92,824	-	-	92,824
Total accumulated depreciation	<u>7,060,138</u>	<u>624,156</u>	<u>-</u>	<u>7,684,294</u>
Total depreciable capital assets, net	<u>7,614,998</u>	<u>(571,871)</u>	<u>-</u>	<u>7,043,127</u>
HFFA Fund capital assets, net	<u>7,614,998</u>	<u>(571,871)</u>	<u>-</u>	<u>7,043,127</u>
Business-type activities capital assets, net	<u>\$ 30,217,925</u>	<u>\$ (43,525)</u>	<u>\$ -</u>	<u>\$ 30,174,400</u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Depreciation expense was charged to functions/programs as follows:

### Governmental Activities:

General government	\$ 673,228
Public safety	909,167
Transportation	2,841,904
Public works	190,935
Cultural and recreation	778,805
Planning	8,085
Total	<u>\$ 5,402,124</u>

### Business-Type Activities:

Electric Fund	\$ 1,271,119
Huntersville Family Fitness and Aquatics Fund	624,156
Total	<u>\$ 1,895,275</u>

### Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 116,549,451	\$ 30,174,400
Long-term debt	(44,678,617)	(322,752)
Deferred outflows	103,890	-
Unexpended bond proceeds	<u>16,501,123</u>	<u>-</u>
Net investment in capital assets	<u>\$ 88,475,847</u>	<u>\$ 29,851,648</u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### B. Liabilities

#### Payables

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	<u>\$ 4,994,080</u>	<u>\$ 890,955</u>	<u>\$ 284,218</u>	<u>\$ 6,169,253</u>
<b>Business-Type Activities:</b>				
Electric Fund	\$ 2,503,645	\$ -	\$ -	\$ 2,503,645
Huntersville Family Fitness and Aquatics Fund	<u>70,037</u>	<u>-</u>	<u>895</u>	<u>70,932</u>
Total	<u>\$ 2,573,682</u>	<u>\$ -</u>	<u>\$ 895</u>	<u>\$ 2,574,577</u>

#### Pension Plan Obligations

##### Local Governmental Employees' Retirement System

*Plan Description.* The Town of Huntersville is a participating employer in the state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Huntersville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Huntersville's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Huntersville were \$1,287,650 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Town reported a liability of \$6,354,981 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. 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 Town's proportion of the net pension liability was based on a

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.1778%, which was an increase of 0.0032% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$2,147,648. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 802,523	\$ -
Changes of assumptions	472,935	-
Net difference between projected and actual earnings on pension plan investments	894,293	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	20,639	55,939
Town contributions subsequent to the measurement date	1,287,650	-
Total	<u>\$ 3,478,040</u>	<u>\$ 55,939</u>

\$1,287,650 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2022	\$ 583,812
2023	800,746
2024	485,228
2025	264,665
2026	-
Thereafter	-
Total	<u>\$ 2,134,451</u>



# TOWN OF HUNTERVILLE, 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	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 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, with the exception of the discount rate, were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Town's proportionate share of the net pension liability (asset)	<u>\$ 12,893,564</u>	<u>\$ 6,354,981</u>	<u>\$ 920,959</u>

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

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Law Enforcement Officers' Special Separation Allowance

**Plan Description.** The Town of Huntersville administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>92</u>
Total	<u>93</u>

A separate report was not issued for the Plan.

### Summary of Significant Accounting Policies

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

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

### Actuarial Assumptions

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

Inflation	2.5 percent
Salary increase	3.25 to 7.75 percent, including inflation factor
Discount rate	1.93 percent

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

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

*Mortality Assumption:* All mortality rates use Pub-2010 amount-weighted tables.

*Mortality Projection:* All mortality rates 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 After Retirement (Disabled Members at Retirement):* Mortality rates are based on the Non-Safety Mortality Table for Disable Retirees. Rates are set back three years for all ages.

*Deaths After Retirement (Survivors of Deceased Members):* 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 less than 45.

*Deaths Prior to Retirement:* Mortality rates are based on the Safety Mortality Table for Employees.

**Contributions.** The Town 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 operation budget. There were no contributions made by the employees. The Town's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$14,115 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$4,679,433. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$549,419.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 260,679	\$ 21,268
Changes of assumptions	1,380,759	86,784
Town benefit payments and plan administrative expense made subsequent to the measurement date	27,436	-
Total	<u>\$ 1,668,874</u>	<u>\$ 108,052</u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$27,436 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2022	\$ 268,132
2023	268,132
2024	272,399
2025	260,730
2026	251,729
Thereafter	<u>212,264</u>
Total	<u><u>\$ 1,533,386</u></u>

\$26,967 paid as benefits came due and \$469 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the Town's Total Pension Liability to Changes in the Discount Rate.* The following presents the Town's total pension liability calculated using the discount rate of 0.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<b>1% Decrease (0.93%)</b>	<b>Discount Rate (1.93%)</b>	<b>1% Increase (2.93%)</b>
Total pension liability	<u><u>\$ 5,140,254</u></u>	<u><u>\$ 4,679,433</u></u>	<u><u>\$ 4,257,934</u></u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

	<u>2020</u>
Beginning balance	\$ 2,965,090
Service cost	183,258
Interest on the total pension liability	96,432
Changes of assumptions and other inputs	1,434,139
Differences between expected and actual experience in the measurement of the total pension liability	14,629
Benefit payments	(14,115)
Net changes	<u>1,714,343</u>
Ending balance of the total pension liability	<u>\$ 4,679,433</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended December 31, 2019.

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

The net pension liability for LGERS was measured as of June 30, 2020, and 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 for LEOSSA was measured as of December 31, 2020, with an actuarial valuation date of December 31, 2019. The Town's proportion of the net pension liability was based on the Town'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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 6,354,981	\$ -	\$ 6,354,981
Proportion of the net pension liability (asset)	0.1778%	NA	-
Total pension liability	-	4,679,433	4,679,433
Pension expense	2,147,648	549,419	2,697,067

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 802,523	\$ 260,679	\$ 1,063,202
Changes of assumptions	472,935	1,380,759	1,853,694
Net difference between projected and actual earnings on pension plan investments	894,293	-	894,293
Town contributions and proportionate share of contributions	20,639	-	20,639
Town contributions (LGERS) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,287,650	27,436	1,315,086
	<u>\$ 3,478,040</u>	<u>\$ 1,668,874</u>	<u>\$ 5,146,914</u>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ -	\$ 21,268	\$ 21,268
Changes of assumptions	-	86,784	86,784
Changes in proportion and differences between Town contributions and proportionate share of contributions	55,939	-	55,939
	<u>\$ 55,939</u>	<u>\$ 108,052</u>	<u>\$ 163,991</u>

### Supplemental Retirement Income Plan for Law Enforcement Officers

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

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan.

The Town made contributions of \$607,464 for the reporting year. No amounts were forfeited.

### **Other Post-Employment Benefits**

The Town administers a single employer defined benefit healthcare plan. The Town pays the full cost of coverage for employees' benefits through private insurers and employees have the option of purchasing dependent coverage at the Town's group rates. The Town provides post-employment healthcare benefits to retirees of the Town, provided they meet the following criteria. The retiree must have at least 25 years of creditable service with the Town. The Town pays the full cost of coverage for these benefits until Medicare coverage begins. Retirees who qualify for coverage receive the same benefits as active employees.

The Town does not offer retirees' dependent coverage. At June 30, 2021, no employees had received benefits under this arrangement, and the Town made no contributions during the year June 30, 2021. The Town Commissioners may amend the benefit provisions. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership of the post-employment health benefit plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	-
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>178</u>
Total	<u><u>178</u></u>

**Funding Policy.** The Town agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members that retire with at least 25 years of service or that retire with approved disability retirement, the Town pays 100% of the cost for pre-65 healthcare coverage for the retiree. Years of service are considered years of creditable service with the Town. Retirees will cease to be eligible for group health insurance at age 65. The Town has chosen to fund the healthcare benefits on a pay-as-you-go basis.



# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Total OPEB Liability

The Town's total OPEB liability of \$3,251,665 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases	
General employees	3.50%-7.75%, including wage inflation
Law enforcement officers	3.50%-7.35%, including wage inflation
Municipal bond index rate	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Healthcare cost trend rates	Pre-Medicare - 7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

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

### Changes in the Total OPEB Liability

Balance at July 1, 2020	<u>\$ 2,661,247</u>
Changes for the year:	
Service cost	198,351
Interest	100,086
Differences between expected and actual experience	(212,698)
Changes of assumptions or other inputs	<u>504,679</u>
Net changes	<u>590,418</u>
Balance at June 30, 2021	<u><u>\$ 3,251,665</u></u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.50% to 2.21%.

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

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<b>1% Decrease (1.21%)</b>	<b>Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB liability	<u>\$ 3,702,908</u>	<u>\$ 3,251,665</u>	<u>\$ 2,853,103</u>

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 2,729,048</u>	<u>\$ 3,251,665</u>	<u>\$ 3,891,085</u>

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$301,384. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 373,253
Changes of assumptions	583,369	122,265
Benefit payments and plan administrative expense made subsequent to the measurement date	9,562	-
Total	<u>\$ 592,931</u>	<u>\$ 495,518</u>

\$9,562 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2022	\$ 2,947
2023	2,947
2024	2,947
2025	2,947
2026	2,947
Thereafter	73,116
Total	<u>\$ 87,851</u>

### Deferred Compensation Plans

The Town sponsors a deferred compensation plan administered by the United States Conference of Mayors. All full-time employees of the Town are eligible to participate in the plan. The Town did not contribute to this plan during the year ended June 30, 2021.

The Town also participates in a deferred compensation plan administered by the International City Management Association Retirement Corporation (ICMA Retirement). All Town personnel can participate in the Plan. The Town had zero participant at June 30, 2021. The Town contributes up to 5% of salary, with such percentage varying dependent upon participation in the Town's 401(k) plan. During the year ended June 30, 2021, the Town contributed \$-0- to this Plan.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Death Benefits**

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

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

In addition to the above state-administered plan for death benefits, the Town has elected to provide death benefits to all full-time employees through private insurance. The beneficiaries of those employees who die in active service after being employed for 30 days are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to twice the annual salary, not to exceed \$200,000, of the employee. All death benefit payments are made by the insurance provider of the policies. The Town has no liability beyond the payment of monthly premiums for the insurance policies. The Town paid \$37,833 for premiums under the above insurance policies for the year ended June 30, 2021.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Deferred Outflows and Inflows of Resources

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

Charge on refunding	\$	103,890
OPEB deferrals		592,931
Pension deferrals		<u>5,146,914</u>
Total	\$	<u><u>5,843,735</u></u>

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

#### Governmental Funds:

Taxes receivable (General Fund)	\$	104,332
Solid waste receivable		2,430
Unavailable revenues		370,148
Prepaid taxes		4,934
Prepaid donations		32,148
OPEB deferrals		495,518
Pension deferrals		<u>163,991</u>
Total	\$	<u><u>1,173,501</u></u>

### Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased multiple lines of coverage from The Travelers Insurance Company as well as other carriers. For information concerning our insurance coverage, you can contact our agent, Parks Insurance Group in Huntersville, NC. Through Travelers and other insurance carriers, the Town purchases Liability, Property, Vehicle, Flood and Workers' Compensation coverage. The Town also purchases a fully funded Group Health through United Healthcare. The policies are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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

The Town does not maintain flood insurance.

In accordance with G.S. 159-29, the Finance Officer is bonded for \$50,000. Town employees that have access to \$100 or more at any given time of the Town's funds are covered under the Employee Dishonesty policy is up to \$10,000 with \$500 deductible.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Long-Term Obligations**

All bonds and notes, except those of the Electric Fund, are collateralized by the faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

#### **Direct Placement Installment Purchase: Serviced by the General Fund:**

First Community Bank:

Note payable in 20 annual installments of \$290,000, plus interest of 2.95% with final maturity in the year 2032; secured by the deed of trust on real property, which the public safety facility will be located in the Town, and all improvements and fixtures located thereon

\$ 3,480,000

Total direct placement installment purchase serviced by General Fund

\$ 3,480,000

The Town's outstanding notes from direct placement related to governmental activities of \$3,480,000 is secured with collateral of the public safety building and the equipment and fixtures of the building, listed in the commercial security agreement. This borrowing contains provisions that an event of default the bank may exercise one or more of the following remedies: (a) declare the unpaid principal due and payable, (b) court action to enforce performance by the Town of the applicable covenants of the contract or recover for any breach thereof, (c) exercise or direct the trustee to exercise all rights and remedies of a secured party or creditor with respect to the enforcement of the security interest granted or reserved under the Deed of Trust, (d) enforce its security interest or direct the trustee to institute foreclosure proceedings.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### General Obligation Bonds:

The Town has issued general obligation bonds to provide for the costs incurred in connection with acquisition or construction of major capital facilities and the purchase of the other major capital items relating to parks and recreation facilities and other Town services.

Interest rates on these general obligation bonds outstanding of 1.95%, with final maturity in the year 2024. \$ 733,000

The Town issued general obligation bonds to provide for the capital costs of construction, reconstructing, enlarging, extending, and improving certain streets, including streets and roads, constituting a part of the state highway system. Interest rates on these general obligation bonds outstanding from 3.95% to 5.40%, with final maturity in the year 2030. 3,710,000

The Town issued general obligation bonds to provide for the capital incurred in connection with acquisition or construction of major capital facilities and the purchase of the other major capital items relating to parks and recreation facilities and other Town services. \$7,190,000 is serviced by the General Fund, and \$470,000 is serviced by the Huntersville Family Fitness and Aquatics Fund. Interest rates on these general obligation bonds outstanding from 3% to 4%, with a final maturity in the year 2033. 5,060,000

The Town issued general obligation bonds to provide for the capital incurred in connection with construction of major capital facilities, and purchase of the other major capital items relating to parks and recreation facilities. Also provide for the capital costs of constructing, reconstructing, enlarging, extending, and improving certain streets, including streets and roads in the Town. Interest rates on these general obligation bonds outstanding from 2% to 4%, with a final maturity in the year 2036. 6,510,000

The Town issued general obligation bonds to provide for the capital costs of constructing, reconstructing, enlarging, extending, and improving certain streets, including streets and roads, constituting a part of the state highway system. Interest rate on these general obligation bonds outstanding is 2%, with final maturity June 1, 2028. 2,080,000

The Town issued general obligation bonds to provide for the capital cost of street improvements and public improvements of the Town. Interest rate on these general obligation bonds outstanding is 1.73% (all in true interest costs) with final maturity June 1, 2040. 14,780,000

Total general obligation bonds 32,873,000

Total notes payable and general obligation bonds \$ 36,353,000

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The Town's outstanding general obligation bonds from direct placement related to governmental activities is \$733,000. The Town pledges its full faith and credit for this bond. In the event of default, the bondholder could force the Town to pay the balance by using any available funds or raise taxes.

The following table summarizes the annual requirements to amortize the above direct placement installment purchase and general obligation bonds:

### Governmental Activities:

Year Ending June 30	Principal	Interest
2022	\$ 290,000	\$ 92,953
2023	290,000	84,867
2024	290,000	76,781
2025	290,000	68,895
2026	290,000	60,610
2027-2031	1,450,000	173,722
2032	580,000	22,906
Total	<u>\$ 3,480,000</u>	<u>\$ 580,734</u>

### General Obligation Bonds:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,378,000	\$ 1,136,764	\$ 25,000	\$ 16,144	\$ 2,403,000	\$ 1,152,908
2023	2,438,000	1,050,631	25,000	9,394	2,463,000	1,060,025
2024	2,467,000	961,192	25,000	8,644	2,492,000	969,836
2025	2,485,000	863,721	25,000	7,894	2,510,000	871,615
2026	2,480,000	760,621	25,000	7,144	2,505,000	767,765
2027-2031	10,395,000	2,334,615	125,000	23,445	10,520,000	2,358,060
2032-2036	6,830,000	752,119	50,000	3,000	6,880,000	755,119
2037-2040	3,100,000	158,875	-	-	3,100,000	158,875
Total	<u>\$ 32,573,000</u>	<u>\$ 8,018,538</u>	<u>\$ 300,000</u>	<u>\$ 75,665</u>	<u>\$ 32,873,000</u>	<u>\$ 8,094,203</u>



# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Limited Obligation Refunding Bonds

The Town issued limited obligation refunding bonds to provide for the capital incurred in connection with acquisition or construction of major capital facilities and the purchase of the other major capital items relating to parks and recreation facilities and other Town services.

\$10,109,280 is serviced by the General Fund, and \$560,720 is serviced by the Huntersville Family Fitness and Aquatics Fund.

Interest rates on these general obligation bonds outstanding range from 3% to 5%, with final maturity in the year 2029.

\$ 5,674,994

Total limited obligation bonds

\$ 5,674,994

The following table summarizes the annual requirements to amortize the above limited obligation refunding bonds:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 1,050,000	\$ 258,500
2023	1,050,000	206,000
2024	1,050,000	153,500
2025	515,000	101,000
2026	510,000	80,400
2027-2029	1,499,994	119,600
Total	<u>\$ 5,674,994</u>	<u>\$ 919,000</u>

### Advance Refunding

On March 10, 2020, the Town issued \$3,975,000 general obligation bonds, Series 2020 to refund Series 2010B general obligation street bonds. As a result, the refunded debt is considered defeased, and the liability has been removed from the governmental activities column of the statement of Net Position. The net proceeds of \$4,769,711 were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The reacquisition price exceeded the net carrying amount of the debt by \$99,235. The Series 2020 general obligation refunding bonds, with payment dates of June 1, will mature June 1, 2030. The 2020 general obligation refunding bonds were placed at a true interest cost of 1.03% and an all-in interest cost of 1.19%. The refunding was undertaken to reduce the total debt service payments by \$558,642, a net present value savings of 11.71% of the refunded par amount. On June 30, 2021, \$3,710,000 of the bonds outstanding is considered defeased.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Changes in Long-Term Liabilities:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
<b>Governmental Activities:</b>					
General obligation bonds	\$ 34,917,000	\$ -	\$ 2,344,000	\$ 32,573,000	\$ 2,378,000
Limited obligation bonds	6,734,994	-	1,060,000	5,674,994	1,050,000
Premium on long-term debt	3,528,070	-	577,447	2,950,623	-
Direct placement installment purchases	3,770,000	-	290,000	3,480,000	290,000
Compensated absences	819,021	1,023,776	970,595	872,202	872,202
Net pension liability (LGERS)	4,769,828	1,585,153	-	6,354,981	-
Total pension liability (LEOSSA)	2,965,090	1,714,343	-	4,679,433	-
Total OPEB liability	2,661,247	590,418	-	3,251,665	-
Total	<u>\$ 60,165,250</u>	<u>\$ 4,913,690</u>	<u>\$ 5,242,042</u>	<u>\$ 59,836,898</u>	<u>\$ 4,590,202</u>
<b>Business-Type Activities:</b>					
<b>Huntersville Family Fitness and Aquatics Fund:</b>					
General obligation bonds	\$ 325,000	\$ -	\$ 25,000	\$ 300,000	\$ 25,000
Premium on long-term debt	30,336	-	7,584	22,752	-
Total	<u>\$ 355,336</u>	<u>\$ -</u>	<u>\$ 32,584</u>	<u>\$ 322,752</u>	<u>\$ 25,000</u>

Compensated absences, net pension liability and other post-employment benefits are typically liquidated in the General Fund. Compensated absences are accounted for on a FIFO basis.

At June 30, 2021, the Town of Huntersville had a legal debt margin of approximately \$756,889,130.

### Interfund Balances and Activity

The composition of interfund balances as of June 30, 2021 was as follows:

	Receivable Fund	Payable Fund
General Fund	\$ 4,740,809	\$ 7,023
Electric Fund	7,023	-
Enterprise Fund - Family Fitness and Aquatic Fund	-	4,740,809
Total	<u>\$ 4,747,832</u>	<u>\$ 4,747,832</u>

Amounts were due to the General Fund primarily for operating and capital outlay purposes.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Transfers To/From Other Funds**

Transfers to/from other funds for the year ended June 30, 2021 consist of the following:

From Bond Fund 2008 to the General Fund for local funds not used on the project	<u>\$ 8,994</u>
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### **3. Jointly Governed Organization**

The Town, in conjunction with 19 other local governments, is a member of the North Carolina Municipal Power Agency #1 ("Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The 19 members, who receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The Town's purchases of power for the fiscal year ended June 30, 2021 were \$18,123,086.

### **4. Joint Activities**

#### **Dispatch Service**

The Town has entered into an interlocal agreement with the City of Charlotte to participate in a dispatch service owned by the City of Charlotte. Under this agreement, the City of Charlotte provides dispatch service to the Town of Huntersville. The agreement is in effect through June 30, 2022.

The Town makes annual payments to the City of Charlotte for the dispatch service. The total expense for the year ended June 30, 2021 totaled \$318,270.

#### **Electric System**

The Town has an agreement with the Town of Cornelius and ElectriCities that provides for ElectriCities to operate and maintain the electric system of each Town, including managing the resources and expenditures of each Town's electric system, planning, technical assistance, and inventory management. During the years ended June 30, 2021 and 2020, the Town paid ElectriCities \$1,162,264 and \$1,025,880, respectively, for salaries and wages, employee benefits, and other related costs.

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Bryton Project**

The Town has an agreement with the County of Mecklenburg, North Carolina, for public improvements known as the Bryton project and the related debt service financing installments. The Town's share of the debt service is determined by multiplying the debt service paid by the County by a fraction of the numerator of which is the Town's tax rate for the fiscal year in which the debt service is paid and the denominator is the total of the Town's and the County's tax rates for that fiscal year. The duration of this agreement shall be until the all outstanding debt is paid or until the County and Town agree to terminate the agreement. The developers for the Bryton project have agreed to pay the difference if the additional tax revenues generated are not sufficient to cover the County's debt service, and to secure that obligation with liens on the development property. Upon completion of the Bryton project the Town's portion of the debt service payments made to the County will be refunded over a period of time. During the year ended June 30, 2021, the Town made no payments to the County on the Bryton project. The County has not billed the Town for any FY2021 expenses incurred.

## **5. Summary Disclosure of Significant Contingencies**

### **Federal and State-Assisted Programs**

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

### **Coronavirus Disease (COVID-19)**

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

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Commitments

The Town of Huntersville has the following commitments at June 30, 2021:

	<u>Commitment</u>	<u>Spent To-Date</u>	<u>Balance</u>
Gilead Road West	\$ 745,396	\$ 341,360	\$ 404,036
Main Street Upgrades	2,117,989	1,765,665	352,324
Main Street	19,084,850	633,576	18,451,274
Downtown Greenway	435,509	103,651	331,858
Holbrook Street	1,248,683	89,612	1,159,071
Gibson Park Drive	89,100	43,100	46,000
Gibson Park Drive #2	192,918	25,369	167,549
Vance Road	310,142	151,822	158,320
Patterson Extension	23,400	19,500	3,900
Ranson Road Widening	212,234	116,378	95,856
Ferebee Asphalt	1,371,436	1,267,980	103,456
Beatties Ford/Hambright	108,000	92,385	15,615
Seagle Street/4th Street	315,285	47,777	267,508
Bradford Park Parking Lot	9,600	1,135	8,465
Bradford Park Parking Lot-Soccer	48,500	32,214	16,286
Stumptown-Roadway Improvement	554,619	354,139	200,480
Ferrell Town Parkway	42,450	19,475	22,975
Rosedale Park	1,452,936	337,529	1,115,407
McCoy at Hambright	64,650	51,661	12,989
McCoy at McIlWaine	64,650	51,661	12,989
Total	<u>\$ 28,492,347</u>	<u>\$ 5,545,989</u>	<u>\$ 22,946,358</u>

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **6. Stewardship, Compliance, and Accountability**

#### **Deficit in Fund Balance of Individual Funds**

At June 30, 2021, the following fund had a deficit fund balance:

Grants Fund	<u>\$ 379,911</u>
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A receivable of \$370,148 is expected to be received in the subsequent year, but was not in the revenue recognition period and, therefore, was reported as unavailable revenue in the current year. Management's anticipation to collect the receivable will eliminate the deficit fund balance in the subsequent year.

### **7. Subsequent Event**

The Town was awarded \$4,809,066 from the Federal American Rescue Plan (ARP). Prior to year end the Town received \$2,404,533. The remaining amount of \$2,404,533 is expected to be received within the next 12 months. The Town was originally awarded \$17,000,000, however, due to a classification change of the Town it was reduced. The state plans to make up the difference from the original award, but the budget has not been passed at this time to allocate the additional \$12,190,934 to the Town.

**REQUIRED SUPPLEMENTAL FINANCIAL DATA**





## TOWN OF HUNTERSVILLE, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**LAST FIVE FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 2,965,090	\$ 2,312,062	\$ 2,199,257	\$ 1,895,402	\$ 1,784,258
Service cost	183,258	164,777	157,587	132,055	132,762
Interest on the total pension liability	96,432	83,671	68,966	72,661	63,306
Differences between expected and actual experience in the measurement of the total pension liability	14,629	321,093	40,606	(51,224)	-
Changes in assumptions and other inputs	1,434,139	110,286	(120,803)	176,325	(62,980)
Benefit payments	(14,115)	(26,799)	(33,551)	(25,962)	(21,944)
Ending balance of the total pension liability	<u>\$ 4,679,433</u>	<u>\$ 2,965,090</u>	<u>\$ 2,312,062</u>	<u>\$ 2,199,257</u>	<u>\$ 1,895,402</u>

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

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF  
COVERED-EMPLOYEE PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST FIVE FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 4,679,433	\$ 2,965,090	\$ 2,312,062	\$ 2,199,257	\$ 1,895,402
Covered payroll	6,506,408	6,391,053	5,735,316	5,492,397	5,228,643
Total pension liability as a percentage of covered payroll	71.92%	46.39%	40.31%	40.04%	36.25%

**Notes to the Schedules:**

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

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

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## OTHER POST-EMPLOYMENT BENEFITS

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

## LAST FOUR FISCAL YEARS

	Other Post-Employment Benefits			
	2021	2020	2019	2018
Service cost	\$ 198,351	\$ 182,162	\$ 173,342	\$ 188,620
Interest	100,086	87,627	79,396	65,069
Differences between expected and actual experience	(212,698)	-	(244,638)	-
Changes of assumptions or other inputs	504,679	138,825	14,300	(185,209)
Net change in total OPEB liability	590,418	408,614	22,400	68,480
Total OPEB liability - beginning	2,661,247	2,252,633	2,230,233	2,161,753
Total OPEB liability - ending	<u>\$ 3,251,665</u>	<u>\$ 2,661,247</u>	<u>\$ 2,252,633</u>	<u>\$ 2,230,233</u>
Covered payroll	\$ 10,793,894	\$ 8,857,598	\$ 8,857,598	\$ 8,486,327
Total OPEB liability as a percentage of covered payroll	30.13%	30.04%	25.43%	26.28%

**Notes to the Required Schedules:**

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

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

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

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAST EIGHT FISCAL YEARS \***

<b>Local Government Employees' Retirement System</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Town's proportion of the net pension liability (asset) (%)	0.1778%	0.1747%	0.1700%	0.1736%
Town's proportion of the net pension liability (asset) (\$)	\$ 6,354,981	\$ 4,769,828	\$ 4,033,930	\$ 2,652,279
Town's covered payroll	\$11,559,626	\$10,976,929	\$ 9,689,171	\$ 9,513,625
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	54.98%	43.45%	41.63%	27.88%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%

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

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

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

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAST EIGHT FISCAL YEARS \***

	<b>Local Government Employees' Retirement System</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Town's proportion of the net pension liability (asset) (%)	0.1732%	0.1679%	0.1678%	0.1680%
Town's proportion of the net pension liability (asset) (\$)	\$ 3,676,521	\$ 753,704	\$ (990,361)	\$ 2,022,634
Town's covered payroll	\$ 8,999,979	\$ 8,374,143	\$ 8,023,538	\$ 7,579,163
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.85%	9.00%	( 12.34%)	26.69%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

**TOWN OF HUNTERSVILLE , NORTH CAROLINA**

**CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAST EIGHT FISCAL YEARS**

<b>Local Government Employees' Retirement System</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 1,287,650	\$ 1,076,515	\$ 897,390	\$ 768,558
Contributions in relation to the contractually required contribution	<u>1,287,650</u>	<u>1,076,515</u>	<u>897,390</u>	<u>768,558</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$12,243,848	\$11,559,626	\$10,976,929	\$ 9,689,171
Contributions as a percentage of covered payroll	10.5%	9.3%	8.18%	7.93%

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

**TOWN OF HUNTERSVILLE , NORTH CAROLINA**

**CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAST EIGHT FISCAL YEARS**

<b>Local Government Employees' Retirement System</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 730,001	\$ 624,470	\$ 609,793	\$ 582,693
Contributions in relation to the contractually required contribution	<u>730,001</u>	<u>624,470</u>	<u>609,793</u>	<u>582,693</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,513,625	\$ 8,999,979	\$ 8,374,143	\$ 8,023,538
Contributions as a percentage of covered payroll	7.67%	6.94%	7.28%	7.26%





## **SUPPLEMENTARY FINANCIAL DATA**



## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## GENERAL FUND

SCHEDULE 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 Over/Under</u>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes		\$ 23,573,902	
Penalties and interest		96,699	
Total	\$ 22,882,300	23,670,601	\$ 788,301
<b>Other Taxes:</b>			
Local option sales tax		10,347,087	
Hotel/Motel tax		403,200	
Prepared food tax		1,214,519	
Transit tax		15,000	
Other taxes		1,794,386	
Total	11,601,270	13,774,192	2,172,922
<b>Unrestricted Intergovernmental:</b>			
Franchise tax		2,531,719	
Beer and wine tax		261,151	
ABC revenue		124,841	
Stormwater fees		961,576	
Solid waste fees		1,686,971	
Policing ETJ		1,400,000	
Total	6,672,045	6,966,258	294,213
<b>Restricted Intergovernmental:</b>			
Powell Bill allocation		1,473,017	
School resource officer		220,391	
Other grants		159,464	
Total	2,098,798	1,852,872	(245,926)
<b>Permits and Fees:</b>			
Recreation fees		493,603	
Court costs and fees		15,043	
Planning and zoning		78,933	
Electric administrative fee and rent		119,565	
Parking deck fees		30,001	
Rental income		19,250	
Total	1,059,165	756,395	(302,770)
<b>Investment Earnings</b>	300,000	48,671	(251,329)

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## GENERAL FUND

SCHEDULE 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 Over/Under</u>
<b>Miscellaneous:</b>			
Donations		16,177	
Other miscellaneous		1,524,591	
Total	<u>725,179</u>	<u>1,540,768</u>	<u>815,589</u>
 Total revenues	 <u>45,338,757</u>	 <u>48,609,757</u>	 <u>3,271,000</u>
 <b>Expenditures:</b>			
<b>General Government:</b>			
<b>Governing Body:</b>			
Commissioners fees and benefits		69,276	
Operating expenditures		57,830	
Total	<u>140,590</u>	<u>127,106</u>	<u>13,484</u>
 <b>Administrative and Finance:</b>			
Salaries and employee benefits		2,025,435	
Operating expenditures		881,271	
Capital outlay		285,223	
Total	<u>3,327,581</u>	<u>3,191,929</u>	<u>135,652</u>
 Total general government	 <u>3,468,171</u>	 <u>3,319,035</u>	 <u>149,136</u>
 <b>Town Center and Parking Deck:</b>			
Operating expenditures		206,412	
Total	<u>270,535</u>	<u>206,412</u>	<u>64,123</u>
 <b>Planning:</b>			
Salaries and employee benefits		1,069,645	
Operating expenditures		155,226	
Total	<u>1,358,566</u>	<u>1,224,871</u>	<u>133,695</u>
 <b>Public Safety:</b>			
<b>Police Department:</b>			
Salaries and employee benefits		9,619,161	
Operating expenditures		2,020,497	
Capital outlay		484,186	
Total	<u>13,506,633</u>	<u>12,123,844</u>	<u>1,382,789</u>

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Over/Under</u></b>
<b>Fire:</b>			
Contribution to volunteer fire departments		4,839,445	
Total	<u>4,839,445</u>	<u>4,839,445</u>	<u>-</u>
 Total public safety	 <u>18,346,078</u>	 <u>16,963,289</u>	 <u>1,382,789</u>
<b>Public Works:</b>			
Salaries and employee benefits		1,827,523	
Operating expenditures		6,487,226	
Solid waste contracted services		3,768,502	
Stormwater		928,859	
Capital outlay		210,917	
Total	<u>16,359,753</u>	<u>13,223,027</u>	<u>3,136,726</u>
<b>Capital Projects:</b>			
Operating expenditures	<u>13,477,130</u>	<u>5,706,327</u>	<u>7,770,803</u>
 Total public works	 <u>29,836,883</u>	 <u>18,929,354</u>	 <u>10,907,529</u>
<b>Cultural and Recreation:</b>			
<b>Parks and Recreation:</b>			
Salaries and employee benefits		1,805,216	
Operating expenditures		1,439,866	
Capital outlay		278,721	
Total	<u>4,556,637</u>	<u>3,523,803</u>	<u>1,032,834</u>
<b>Travel and Tourism:</b>			
Economic support		992,286	
Other operating expenditures		73,047	
Total	<u>1,210,147</u>	<u>1,065,333</u>	<u>144,814</u>
 Total cultural and recreation	 <u>5,766,784</u>	 <u>4,589,136</u>	 <u>1,177,648</u>
<b>Debt Service:</b>			
Principal		3,429,000	
Interest and fees		1,580,227	
Total debt service	<u>5,013,045</u>	<u>5,009,227</u>	<u>3,818</u>
 Total expenditures	 <u>64,060,062</u>	 <u>50,241,324</u>	 <u>13,818,738</u>

**TOWN OF HUNTERSVILLE, NORTH CAROLINA****GENERAL FUND****SCHEDULE 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 Over/Under</u>
Revenues over (under) expenditures	<u>(18,721,305)</u>	<u>(1,631,567)</u>	<u>17,089,738</u>
<b>Other Financing Sources (Uses):</b>			
Operating transfers in	-	8,994	8,994
Appropriated fund balance	<u>18,721,305</u>	<u>-</u>	<u>(18,721,305)</u>
Total other financing sources (uses)	<u>18,721,305</u>	<u>8,994</u>	<u>(18,712,311)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,622,573)</u>	<u>\$ (1,622,573)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>60,090,297</u>	
End of year - June 30		<u>\$ 58,467,724</u>	

**TOWN OF HUNTERSVILLE, NORTH CAROLINA****SCHEDULE OF ENCUMBRANCES - GOVERNMENTAL FUNDS****JUNE 30, 2021****General Fund:**

General government	\$ 138,423
Transportation	26,908
Planning	50,791
Public safety	273,630
Public works	169,151
Cultural and recreation	119,640
Capital projects	<u>1,704,521</u>
Total	2,483,064

Stormwater	88,007
Tourism	81,021
Powell Bill	<u>585,426</u>
Total General Fund	<u>3,237,518</u>

**Enterprise Funds:**

Electric	<u>1,683,913</u>
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**Capital Projects Funds:**

Capital Projects Fund	32,723
2013 Bond Fund	109,727
2016 Bond Fund	21,142
2020 Bond Fund	<u>4,060,546</u>
Total capital project funds	<u>4,224,138</u>

**Special Revenue Funds**

Transportation Reserve Fund	<u>357,309</u>
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Total Town-Wide	<u>\$ 9,502,878</u>
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## TOWN OF HUNTERSVILLE, NORTH CAROLINA

**MAJOR SPECIAL REVENUE FUND - GRANT FUND**  
**SCHEDULE 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 Over/Under</u>
<b>Revenues:</b>			
Grant revenue - PARTF		\$ 38,809	
Grant revenue - GHSP		11,607	
Grant revenue - DOT		1,320,000	
Grant revenue - Ocular Melanoma		12,787	
Grant revenue - Downtown Revitalization		20,012	
Grant revenue - other		672,273	
Grant revenue - CARES Act		343,403	
Investment earnings		22	
Total revenues	\$ 24,426,196	2,418,913	\$ (22,007,283)
<b>Expenditures:</b>			
Transportation:			
Main Street Upgrade		233,906	
Huntington Green Sidewalk		173,794	
General government:			
Ocular Melanoma		12,787	
Community Garden		18	
Public safety:			
GHSP		11,607	
Department of Homeland Security		167,586	
Department of Justice		223,718	
FEMA		47,569	
CARES Act Operating		343,405	
Cultural and recreation:			
Downtown Greenway		225	
Downtown Revitalization Art		20,012	
Veterans Park		41,821	
YMCA		34,481	
Rosedale Nature Park		38,809	
Total expenditures	24,427,311	1,349,738	23,077,573
Revenues over (under) expenditures	(1,115)	1,069,175	1,070,290
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	1,115	-	(1,115)
Net change in fund balance	\$ -	1,069,175	\$ 1,069,175
<b>Fund Balance:</b>			
Beginning of year - July 1		(1,449,086)	
End of year - June 30		\$ (379,911)	



## TOWN OF HUNTERSVILLE, NORTH CAROLINA

**MAJOR CAPITAL PROJECT FUND - BOND FUND 2020**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Investment earnings	\$ 79,469	\$ 18,663	\$ 3,217	\$ 21,880
<b>Expenditures:</b>				
Gilead Road West	5,639,777	438,820	186,714	625,534
Main Street	2,939,945	44,686	281,192	325,878
Beatties Fd/McCoy Road	1,520,662	23,113	40,691	63,804
Gibson Park Drive	348,610	73,764	189,021	262,785
Holbrook Str	1,019,735	171,317	138,638	309,955
Vance Road	2,051,934	68,283	59,061	127,344
Ranson Widening	832,920	32,479	2,428	34,907
Beatties Fd/Hambright Street	706,542	43,630	-	43,630
Patterson Road Extension	1,161,019	15,827	387,988	403,815
Gibson Park Phase 2	636,522	9,597	25,370	34,967
Beatties Fd/Gilead Road	1,217,132	18,491	40,691	59,182
David Kenney Farm Road	506,888	7,709	35,711	43,420
Arahova	506,886	7,704	-	7,704
Walters Street	760,919	11,558	-	11,558
Total expenditures	19,849,491	966,978	1,387,505	2,354,483
Revenues over (under) expenditures	(19,770,022)	(948,315)	(1,384,288)	(2,332,603)
<b>Other Financing Sources (Uses):</b>				
Bonds issued	15,560,000	15,560,000	-	15,560,000
Premium on bonds issued	2,140,531	2,140,531	-	2,140,531
Transfer in (out)	1,998,970	-	-	-
Fund balance appropriated	70,521	-	-	-
Total other financing sources (uses)	19,770,022	17,700,531	-	17,700,531
Net change in fund balance	\$ -	\$ 16,752,216	(1,384,288)	\$ 15,367,928
<b>Fund Balance:</b>				
Beginning of year - July 1			16,752,216	
End of year - June 30			\$ 15,367,928	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

	<b>Nonmajor</b>		
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 4,700,450	\$ 541,718	\$ 5,242,168
Restricted cash and cash equivalents	-	856,694	856,694
Accounts receivable, net	84,831	-	84,831
Total assets	<u>\$ 4,785,281</u>	<u>\$ 1,398,412</u>	<u>\$ 6,183,693</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	<u>\$ 27,953</u>	<u>\$ 2,889</u>	<u>\$ 30,842</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	442,140	-	442,140
Future capital projects	-	853,805	853,805
Committed:			
Capital projects	-	541,718	541,718
Assigned:			
Transportation	2,553,242	-	2,553,242
Land development	706,187	-	706,187
Commerce station	1,055,759	-	1,055,759
Total fund balances	<u>4,757,328</u>	<u>1,395,523</u>	<u>6,152,851</u>
Total liabilities and fund balances	<u>\$ 4,785,281</u>	<u>\$ 1,398,412</u>	<u>\$ 6,183,693</u>

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Nonmajor</b>		
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 372,325	\$ -	\$ 372,325
Restricted intergovernmental	1,336	-	1,336
Permits and fees	973,276	-	973,276
Land development fees	721,880	-	721,880
Investment earnings	1,771	345	2,116
Total revenues	<u>2,070,588</u>	<u>345</u>	<u>2,070,933</u>
<b>Expenditures:</b>			
Current:			
General government	9,188	174,443	183,631
Transportation	249,422	582,523	831,945
Public works	485,729	-	485,729
Cultural and recreation	-	37,190	37,190
Debt service:			
Principal	265,000	-	265,000
Interest	232,688	-	232,688
Total expenditures	<u>1,242,027</u>	<u>794,156</u>	<u>2,036,183</u>
Revenues over (under) expenditures	<u>828,561</u>	<u>(793,811)</u>	<u>34,750</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>-</u>	<u>(8,994)</u>	<u>(8,994)</u>
Net change in fund balances	828,561	(802,805)	25,756
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>3,928,767</u>	<u>2,198,328</u>	<u>6,127,095</u>
End of year - June 30	<u>\$ 4,757,328</u>	<u>\$ 1,395,523</u>	<u>\$ 6,152,851</u>

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECT FUNDS  
 JUNE 30, 2021

	Capital Project Funds				
	Capital Project Fund	Bond Fund 2008	Bond Fund 2013	Bond Fund 2016	Total
<b>Assets:</b>					
Cash and cash investments	\$ 541,718	\$ -	\$ -	\$ -	\$ 541,718
Restricted cash and cash equivalents	-	-	158,049	698,645	856,694
Total assets	<u>\$ 541,718</u>	<u>\$ -</u>	<u>\$ 158,049</u>	<u>\$ 698,645</u>	<u>\$ 1,398,412</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 2,889	\$ 2,889
<b>Fund Balances:</b>					
Restricted:					
Future capital projects	-	-	158,049	695,756	853,805
Committed:					
Capital projects	<u>541,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>541,718</u>
Total fund balance	<u>541,718</u>	<u>-</u>	<u>158,049</u>	<u>695,756</u>	<u>1,395,523</u>
Total liabilities and fund balances	<u>\$ 541,718</u>	<u>\$ -</u>	<u>\$ 158,049</u>	<u>\$ 698,645</u>	<u>\$ 1,398,412</u>

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Capital Project Funds				
	Capital Project Fund	Bond Fund 2008	Bond Fund 2013	Bond Fund 2016	Total
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ 54	\$ 291	\$ 345
<b>Expenditures:</b>					
Cultural and recreation	-	-	-	37,190	37,190
Transportation	-	-	216,025	366,498	582,523
General government	174,443	-	-	-	174,443
Total expenditures	174,443	-	216,025	403,688	794,156
Revenues over (under) expenditures	(174,443)	-	(215,971)	(403,397)	(793,811)
<b>Other Financing Sources (Uses):</b>					
Transfer in (out)	-	(8,994)	-	-	(8,994)
Net change in fund balance	(174,443)	(8,994)	(215,971)	(403,397)	(802,805)
<b>Fund Balances:</b>					
Beginning of year - July 1	716,161	8,994	374,020	1,099,153	2,198,328
End of year - June 30	\$ 541,718	\$ -	\$ 158,049	\$ 695,756	\$ 1,395,523

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Other taxes and licenses - local option sales tax	\$ 2,858,081	\$ 2,843,879	\$ -	\$ 2,843,879
Contributions from other governments	4,748,488	4,729,707	-	4,729,707
CDBG	282,970	282,970	-	282,970
Miscellaneous revenue	386,248	224,248	-	224,248
Sale of land	1,597,702	1,766,062	-	1,766,062
Investment earnings	157,151	158,406	-	158,406
Total revenues	<u>10,030,640</u>	<u>10,005,272</u>	<u>-</u>	<u>10,005,272</u>
<b>Expenditures:</b>				
Trails and walkways	134,791	134,791	-	134,791
Commerce station	9,806,480	9,366,222	174,443	9,540,665
Debt service:				
Principal retirement	3,987,933	3,986,144	-	3,986,144
Interest expense	1,532,608	1,532,608	-	1,532,608
Operating expense	47,767	-	-	-
Total expenditures	<u>15,509,579</u>	<u>15,019,765</u>	<u>174,443</u>	<u>15,194,208</u>
Revenues over (under) expenditures	<u>(5,478,939)</u>	<u>(5,014,493)</u>	<u>(174,443)</u>	<u>(5,188,936)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term borrowing issued	4,000,000	4,000,000	-	4,000,000
Transfers in (out)	1,188,939	1,560,654	-	1,560,654
Appropriated fund balance	290,000	170,000	-	170,000
Total other financing sources (uses)	<u>5,478,939</u>	<u>5,730,654</u>	<u>-</u>	<u>5,730,654</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 716,161</u>	<u>(174,443)</u>	<u>\$ 541,718</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>716,161</u>	
End of year - June 30			<u>\$ 541,718</u>	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## BOND FUND 2008

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Other taxes and licenses - local option sales tax	\$ 2,806,640	\$ 2,787,516	\$ -	\$ 2,787,516
Investment earnings	34,770	54,129	-	54,129
Total revenues	2,841,410	2,841,645	-	2,841,645
Expenditures:				
Fire Station	2,983,859	2,983,859	-	2,983,859
Barnette Elementary Gym	650,159	650,159	-	650,159
Lake Norman Charter Gym	250,000	250,000	-	250,000
North Mecklenburg Park	697,260	697,260	-	697,260
Abernathy Park	91,179	91,179	-	91,179
Huntersville Athletic Park	250,341	250,341	-	250,341
Bradford Park	80,190	80,190	-	80,190
Streetscape Veterans Park	34,770	34,770	-	34,770
Public Safety Facility	16,141	16,141	-	16,141
Total	5,053,899	5,053,899	-	5,053,899
Debt service:				
Principal retirement	1,800,000	1,800,000	-	1,800,000
Interest expense	1,553,945	1,532,469	-	1,532,469
Total expenditures	8,407,844	8,386,368	-	8,386,368
Revenues over (under) expenditures	(5,566,434)	(5,544,723)	-	(5,544,723)
Other Financing Sources (Uses):				
Long-term borrowing issued	5,000,000	5,000,000	-	5,000,000
Transfers in - fire station	547,305	553,717	-	553,717
Transfers out - General Fund	-	-	(8,994)	(8,994)
Appropriated fund balance	19,129	-	-	-
Total other financing sources (uses)	5,566,434	5,553,717	(8,994)	5,544,723
Net change in fund balance	\$ -	\$ 8,994	(8,994)	\$ -
Fund Balance:				
Beginning of year - July 1			8,994	
End of year - June 30			\$ -	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## BOND FUND 2013

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Investment earnings	\$ 70,340	\$ 80,479	\$ 54	\$ 80,533
<b>Expenditures:</b>				
Recreation center	4,238,890	4,238,121	-	4,238,121
Veterans Park	444,595	444,393	-	444,393
Hwy 21 & Gilead Road	2,767,798	2,362,220	-	2,362,220
Main Street	704,343	372,991	216,025	589,016
Total expenditures	8,155,626	7,417,725	216,025	7,633,750
Revenues over (under) expenditures	(8,085,286)	(7,337,246)	(215,971)	(7,553,217)
<b>Other Financing Sources (Uses):</b>				
Bonds issued	7,600,000	7,600,000	-	7,600,000
Premium on bonds issued	111,266	111,266	-	111,266
Fund balance appropriated	374,020	-	-	-
Total other financing sources (uses)	8,085,286	7,711,266	-	7,711,266
Net change in fund balance	\$ -	\$ 374,020	(215,971)	\$ 158,049
<b>Fund Balance:</b>				
Beginning of year - July 1			374,020	
End of year - June 30			\$ 158,049	



## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## BOND FUND 2016

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
<b>Revenues:</b>				
Investment earnings	\$ 300	\$ 235,347	\$ 291	\$ 235,638
<b>Expenditures:</b>				
Recreation center	400,000	400,000	-	400,000
Fire station	4,135,280	4,135,180	-	4,135,180
Non-motorized	400,000	47,800	37,190	84,990
Gilead West	300,000	300,000	-	300,000
Main Street upgrade	4,000,000	3,573,116	366,498	3,939,614
Total	9,235,280	8,456,096	403,688	8,859,784
Debt service:				
Debt issuance cost	195,344	195,344	-	195,344
Total expenditures	9,430,624	8,651,440	403,688	9,055,128
Revenues over (under) expenditures	(9,430,324)	(8,416,093)	(403,397)	(8,819,490)
<b>Other Financing Sources (Uses):</b>				
Bonds issued	8,675,000	8,675,000	-	8,675,000
Premium on bonds issued	308,223	393,145	-	393,145
Transfer in	641,105	641,105	-	641,105
Transfer out	(194,004)	(194,004)	-	(194,004)
Total other financing sources (uses)	9,430,324	9,515,246	-	9,515,246
Net change in fund balance	\$ -	\$ 1,099,153	(403,397)	\$ 695,756
<b>Fund Balance:</b>				
Beginning of year - July 1			1,099,153	
End of year - June 30			\$ 695,756	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021

	Special Revenue Funds			Total
	Transportation Reserve Fund	Land Development Fund	Commerce Station Fund	
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,913,956	\$ 730,145	\$ 1,056,349	\$ 4,700,450
Accounts receivable	84,831	-	-	84,831
Total assets	<u>\$ 2,998,787</u>	<u>\$ 730,145</u>	<u>\$ 1,056,349</u>	<u>\$ 4,785,281</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	<u>\$ 3,405</u>	<u>\$ 23,958</u>	<u>\$ 590</u>	<u>\$ 27,953</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by state statute	442,140	-	-	442,140
Assigned	<u>2,553,242</u>	<u>706,187</u>	<u>1,055,759</u>	<u>4,315,188</u>
Total fund balances	<u>2,995,382</u>	<u>706,187</u>	<u>1,055,759</u>	<u>4,757,328</u>
Total liabilities and fund balances	<u>\$ 2,998,787</u>	<u>\$ 730,145</u>	<u>\$ 1,056,349</u>	<u>\$ 4,785,281</u>

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Transportation Reserve Fund	Land Development Fund	Commerce Station Fund	Total
<b>Revenues:</b>				
Grant revenue	\$ 628	\$ -	\$ 708	\$ 1,336
Ad valorem taxes	-	-	372,325	372,325
Registration fees	973,276	-	-	973,276
Land development fees	-	721,880	-	721,880
Investment earnings	1,771	-	-	1,771
Total revenues	<u>975,675</u>	<u>721,880</u>	<u>373,033</u>	<u>2,070,588</u>
<b>Expenditures:</b>				
Transportation	249,422	-	-	249,422
Public works	-	485,729	-	485,729
General government	-	-	9,188	9,188
Debt service:				
Principal	124,232	-	140,768	265,000
Interest	109,084	-	123,604	232,688
Total expenditures	<u>482,738</u>	<u>485,729</u>	<u>273,560</u>	<u>1,242,027</u>
Net change in fund balances	492,937	236,151	99,473	828,561
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>2,502,445</u>	<u>470,036</u>	<u>956,286</u>	<u>3,928,767</u>
End of year - June 30	<u>\$ 2,995,382</u>	<u>\$ 706,187</u>	<u>\$ 1,055,759</u>	<u>\$ 4,757,328</u>

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## SPECIAL REVENUE FUND - TRANSPORTATION RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2021

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Registration fees	\$ 950,000	\$ 973,276	\$ 23,276
Grant revenue	-	628	628
Investment earnings	-	1,771	1,771
Total revenues	<u>950,000</u>	<u>975,675</u>	<u>25,675</u>
<b>Expenditures:</b>			
Transportation:			
Transportation - capital projects	<u>1,554,644</u>	<u>249,422</u>	<u>1,305,222</u>
<b>Debt Service:</b>			
Interest expense	109,088	109,084	4
Principal retirement	<u>124,232</u>	<u>124,232</u>	<u>-</u>
Total debt service	<u>233,320</u>	<u>233,316</u>	<u>4</u>
Revenues over (under) expenditures	(837,964)	492,937	1,330,901
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>837,964</u>	<u>-</u>	<u>(837,964)</u>
Net change in fund balance	<u>\$ -</u>	492,937	<u>\$ 492,937</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>2,502,445</u>	
End of year - June 30		<u>\$ 2,995,382</u>	

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**SPECIAL REVENUE FUND - LAND DEVELOPMENT FUND**  
**SCHEDULE 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 Over/Under</u>
<b>Revenues:</b>			
Land development fees	\$ 503,330	\$ 721,880	\$ 218,550
<b>Expenditures:</b>			
Salaries and employee benefits	460,645	460,353	292
Operating expenditures	42,790	25,376	17,414
Total expenditures	<u>503,435</u>	<u>485,729</u>	<u>17,706</u>
Revenues over (under) expenditures	(105)	236,151	236,256
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>105</u>	<u>-</u>	<u>(105)</u>
Net change in fund balance	<u>\$ -</u>	236,151	<u>\$ 236,151</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>470,036</u>	
End of year - June 30		<u>\$ 706,187</u>	

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**SPECIAL REVENUE FUND - COMMERCE STATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 320,000	\$ 372,325	\$ 52,325
Grant revenue	-	708	708
Total revenues	<u>320,000</u>	<u>373,033</u>	<u>53,033</u>
<b>Expenditures:</b>			
Contracted services	807,822	7,080	800,742
Operating	<u>2,500</u>	<u>2,108</u>	<u>392</u>
Total expenditures	<u>810,322</u>	<u>9,188</u>	<u>801,134</u>
<b>Debt Service:</b>			
Interest expense	123,605	123,604	1
Principal retirement	<u>181,735</u>	<u>140,768</u>	<u>40,967</u>
Total debt service	<u>305,340</u>	<u>264,372</u>	<u>40,968</u>
Revenues over (under) expenditures	(795,662)	99,473	895,135
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>795,662</u>	<u>-</u>	<u>(795,662)</u>
Net change in fund balance	<u>\$ -</u>	<u>99,473</u>	<u>\$ 99,473</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>956,286</u>	
End of year - June 30		<u>\$ 1,055,759</u>	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

## ELECTRIC FUND

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Sale of electricity		\$ 21,574,737	
Street light revenue		371,179	
Late payment charges		104,835	
Other operating revenue		548,449	
Total operating revenues	\$ 22,831,658	22,599,200	\$ (232,458)
<b>Other Revenues:</b>			
Interest	5,000	44,880	39,880
NCMPA rebates	-	3,656,001	3,656,001
Total other revenues	5,000	3,700,881	3,695,881
Total revenues	22,836,658	26,300,081	3,463,423
<b>Expenditures:</b>			
<b>Operating Expenditures and Construction Costs:</b>			
<b>Electrical Operations:</b>			
Salaries and employee benefits		1,162,264	
Contracted services		251,533	
Other operating expenses		1,925,651	
Total	4,012,385	3,339,448	672,937
<b>Electrical Power Purchases</b>	15,376,000	18,123,086	(2,747,086)
<b>Capital Outlay</b>	4,501,942	1,799,465	2,702,477
Total expenditures	23,890,327	23,261,999	628,328
Revenues over (under) expenditures	(1,053,669)	3,038,082	4,091,751
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	1,053,669	-	(1,053,669)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,038,082	\$ 3,038,082
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 3,038,082	
Reconciling items:			
Capital outlay capitalized		1,799,465	
Depreciation		(1,271,119)	
Change in net position		<u>\$ 3,566,428</u>	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

**FAMILY FITNESS AND AQUATICS FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Membership fees		\$ 1,088,434	
Programming		632,824	
Other revenue		901,049	
Total revenues	<u>\$ 3,740,059</u>	<u>2,622,307</u>	<u>\$ (1,117,752)</u>
<b>Expenditures:</b>			
Operating expenditures:			
Contracted services		1,673,832	
Other operating expenses		706,581	
Total operating expenditures	<u>3,654,165</u>	<u>2,380,413</u>	<u>1,273,752</u>
<b>Debt Service:</b>			
Interest expense and fees		10,894	
Principal retirement		25,000	
Total debt service	<u>35,894</u>	<u>35,894</u>	<u>-</u>
<b>Capital Outlay</b>	<u>50,000</u>	<u>52,285</u>	<u>(2,285)</u>
Total expenditures	<u>3,740,059</u>	<u>2,468,592</u>	<u>1,271,467</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 153,715</u>	<u>\$ 153,715</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 153,715	
Reconciling items:			
Principal retirement		25,000	
Amortization of bond premium		7,584	
Capital outlay capitalized		52,285	
Depreciation		(624,157)	
Change in net position		<u>\$ (385,573)</u>	



## TOWN OF HUNTERSVILLE, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2021

<b>Fiscal Year</b>	<b>Uncollected Balance July 1, 2020</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2021</b>
2020-2021	\$ -	\$ 23,967,514	\$ 23,858,927	\$ 108,587
2019-2020	171,569	-	117,653	53,916
2018-2019	31,397	-	8,150	23,247
2017-2018	31,431	-	2,429	29,002
2016-2017	20,579	-	3,045	17,534
2015-2016	16,895	-	2,023	14,872
2014-2015	21,083	-	5,843	15,240
2013-2014	26,147	-	1,422	24,725
2012-2013	26,319	-	3,906	22,413
2011-2012	20,678	-	20,678	-
Total	<u>\$ 366,098</u>	<u>\$ 23,967,514</u>	<u>\$ 24,024,076</u>	<u>309,536</u>
Less: Allowance for uncollectible ad valorem taxes receivable				<u>205,204</u>
Ad valorem taxes receivable, net				<u>\$ 104,332</u>
<b>Reconciliation of Collections and Credits with Revenues:</b>				
Ad valorem taxes:				
General Fund			\$ 23,670,601	
Nonmajor special revenue funds			372,325	
Reconciling items:				
Adjustments and write-offs			31,471	
Interest collected			(96,699)	
Refunds			46,378	
Total collections and credits			<u>\$ 24,024,076</u>	

## TOWN OF HUNTERSVILLE, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
FOR THE YEAR ENDED JUNE 30, 2021

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 9,978,269,883	0.2400	\$ 23,947,848	\$ 22,105,877	\$ 1,841,971
<b>Discoveries</b>	57,717,083		138,521	138,521	-
<b>Releases</b>	(49,522,917)		(118,855)	(118,855)	-
Total property valuation	<u>\$ 9,986,464,049</u>				
<b>Net Levy</b>			23,967,514	22,125,543	1,841,971
Uncollected taxes at June 30, 2021			(108,587)	(108,587)	-
<b>Current Year Taxes Collected</b>			<u>\$ 23,858,927</u>	<u>\$ 22,016,956</u>	<u>\$ 1,841,971</u>
<b>Current Levy Collection Percentage</b>			<u>99.55%</u>	<u>99.51%</u>	<u>100.00%</u>
<b>Secondary Market Disclosures:</b>					
<b>Assessed Valuation:</b>					
Assessment ratio					<u>100.00%</u>
Real property				\$ 8,621,384,214	
Personal property				497,064,564	
Public service companies				100,527,354	
Motor vehicles				<u>767,487,917</u>	
Total assessed valuation				9,986,464,049	
Tax rate per \$100					<u>0.2400</u>
Net levy				<u>\$ 23,967,514</u>	

**TOWN OF HUNTERSVILLE, NORTH CAROLINA****SCHEDULE OF TEN LARGEST TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b><u>Taxpayer</u></b>	<b><u>Type of Business</u></b>	<b><u>Assessed Valuation</u></b>	<b><u>Percentage of Total Assessed Valuation</u></b>
CSP Community Owner, LLC	Apartment leasing	\$ 134,707,100	1.35%
DDRTC Birkdale Village, LLC	Retail leasing	122,337,897	1.23%
Joe Gibbs Racing, Inc.	NASCAR	66,696,199	0.67%
Northcross Land Development LP, Inc.	Office park	64,186,200	0.64%
Reynolds Consumer Products, LLC	Industrial manufacturing	59,559,132	0.60%
Piedmont Natural Gas Company, Inc.	Utility	52,163,520	0.52%
Southwire Company, LLC	Manufacturing	51,161,376	0.51%
B CORE MF as Lake Norman	Apartment leasing	46,177,411	0.46%
The Collection at The Park, LLC	Apartment leasing	44,596,000	0.45%
IPT Charlotte DC, LP	Distribution center	43,363,600	0.43%
Total		<u>\$ 684,948,435</u>	<u>6.86%</u>



## **STATISTICAL SECTION**



## Statistical Section

This part of the Town of Huntersville's Annual Comprehensive Financial Report presents detailed information as a context for understanding how the information in the financial statements, note disclosures, and required supplementary information depicts the government's overall financial health.

### Contents

	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	101-105
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales taxes.	106-110
Debt Capacity	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	111-114
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	115-117
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	118-119

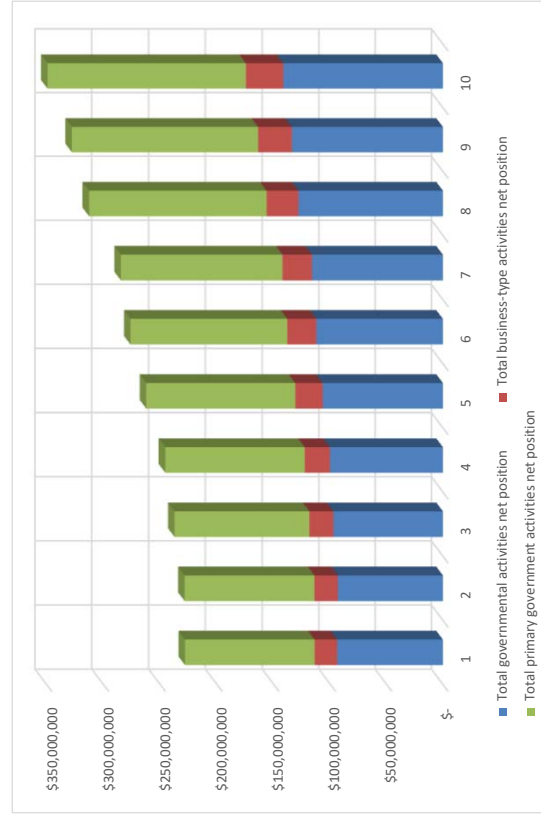




Table 1

**Town of Huntersville**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 54,505,230	\$ 53,192,255	\$ 54,881,583	\$ 57,221,338	\$ 62,014,105	\$ 66,063,944	\$ 67,636,966	\$ 75,601,202	\$ 77,926,213	\$ 88,475,847
Restricted	23,880,955	19,565,829	19,629,237	20,346,993	21,049,647	30,745,055	24,582,196	23,482,792	24,680,256	22,473,995
Unrestricted	15,629,809	20,558,767	22,750,660	22,884,274	23,790,612	15,588,666	24,067,263	29,280,258	31,559,416	30,748,221
Total governmental activities net position	94,015,994	93,316,851	97,261,480	100,452,605	106,854,364	112,397,665	116,286,425	128,364,252	134,165,885	141,698,063
<b>Business-type activities</b>										
Net investment in capital assets	\$ 20,081,104	\$ 21,111,636	\$ 21,481,775	\$ 21,811,441	\$ 24,065,764	\$ 24,705,837	\$ 26,861,836	\$ 29,271,115	\$ 29,862,589	\$ 29,851,648
Unrestricted	(49,609)	(203,045)	(45,473)	487,496	190,267	960,883	(848,679)	(1,322,672)	(193,317)	2,998,479
Total business-type activities net position	20,031,495	20,908,591	21,436,302	22,298,937	24,256,031	25,666,720	26,013,157	27,948,443	29,669,272	32,850,127
<b>Primary Government</b>										
Net investment in capital assets	\$ 74,586,334	\$ 74,303,891	\$ 76,363,358	\$ 79,032,779	\$ 86,079,869	\$ 90,769,781	\$ 94,498,802	\$ 104,872,317	\$ 107,788,802	\$ 118,327,495
Restricted	23,880,955	19,565,829	19,629,237	20,346,993	21,049,647	30,745,055	24,582,196	23,482,792	24,680,256	22,473,995
Unrestricted	15,580,200	20,355,722	22,705,187	23,371,770	23,980,879	16,549,549	23,218,584	27,957,586	31,366,099	33,746,700
Total primary government activities net position	\$ 114,047,489	\$ 114,225,442	\$ 118,697,782	\$ 122,751,542	\$ 131,110,395	\$ 138,064,385	\$ 142,299,582	\$ 156,312,695	\$ 163,835,157	\$ 174,548,190



Note: The Town began to report accrual information when it implemented GASB 34 in fiscal year 2004.

**Town of Huntersville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,280,528	\$ 2,452,513	\$ 2,467,278	\$ 2,549,474	\$ 2,073,617	\$ 3,324,781	\$ 2,840,744	\$ 2,560,089	\$ 2,534,841	\$ 3,436,802
Public safety	10,783,735	12,557,567	11,806,484	11,678,771	14,282,038	14,337,920	15,687,778	16,812,324	18,145,124	19,265,723
Transportation/Town Center Ops	5,103,959	6,707,468	3,153,828	3,750,825	4,136,643	2,875,883	3,687,460	2,634,731	4,136,433	4,287,961
Planning	879,008	890,325	954,327	812,831	858,764	1,123,652	1,166,992	1,214,150	1,342,741	1,302,065
Public Works	5,988,886	7,340,009	6,983,885	6,310,622	6,116,269	7,353,662	8,303,855	10,598,698	13,479,038	18,578,684
Cultural and recreation	3,421,289	4,020,596	4,041,134	5,094,733	3,478,390	4,144,131	4,593,656	5,243,708	5,341,704	465,760
Interest on long-term debt	3,736,917	1,364,255	1,640,211	1,636,104	1,735,185	1,552,660	1,419,762	1,314,244	1,466,083	1,726,807
Total governmental activities expenses	\$ 31,194,322	\$ 35,332,733	\$ 31,047,147	\$ 31,833,360	\$ 32,680,906	\$ 34,712,689	\$ 37,700,247	\$ 40,377,944	\$ 46,445,964	\$ 49,063,802
Business-type activities:										
Fitness & Aquatics	\$ 3,123,537	\$ 3,348,460	\$ 3,339,862	\$ 3,677,172	\$ 3,919,388	\$ 3,881,637	\$ 3,867,206	\$ 3,984,482	\$ 3,963,700	\$ 3,007,880
Electric	10,893,416	12,289,870	13,949,346	15,302,328	16,066,080	17,746,222	18,979,160	19,537,205	20,720,393	22,733,653
Total business-type activities	14,016,953	15,638,330	17,289,208	18,979,500	19,985,468	21,627,859	22,846,366	23,521,687	24,684,093	25,741,533
Total primary governmental expenses	\$ 45,211,275	\$ 50,971,063	\$ 48,336,355	\$ 50,812,860	\$ 52,666,374	\$ 56,340,548	\$ 60,546,613	\$ 63,899,631	\$ 71,130,057	\$ 74,805,335
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 1,408,461	\$ 1,527,471	\$ 1,769,277	\$ 1,617,787	\$ 1,697,378	\$ 1,829,842	\$ 2,001,012	\$ 2,085,808	\$ 2,597,499	\$ 2,451,551
Operating grants and contributions	2,610,673	2,391,865	2,821,955	2,031,380	2,038,017	2,457,846	2,364,626	6,308,078	2,718,722	3,187,005
Capital grants and contributions	4,065,727	3,130,597	2,234,577	1,266,429	1,582,860	2,309,062	609,644	3,846,818	2,060,482	5,144,563
Total governmental activities program revenues	8,084,861	7,049,933	6,825,809	4,915,596	5,318,255	6,596,750	4,975,282	12,240,704	7,376,703	10,783,119
Business-type activities:										
Charges for services	\$ 3,228,103	\$ 3,349,599	\$ 3,196,668	\$ 3,281,988	\$ 4,705,550	\$ 3,304,479	\$ 3,245,583	\$ 3,751,020	\$ 2,991,864	\$ 2,622,307
Fitness & Aquatics	11,743,622	12,882,138	14,313,731	15,949,422	16,685,597	19,145,281	19,569,272	21,146,797	21,165,777	22,599,200
Electric	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	14,971,725	16,231,737	17,510,399	19,231,410	21,391,147	22,449,760	22,814,855	24,897,817	24,157,641	25,221,507
Total business-type activities program revenues	\$ 23,056,586	\$ 23,281,670	\$ 24,336,208	\$ 24,147,006	\$ 26,709,402	\$ 29,046,510	\$ 27,790,137	\$ 37,138,521	\$ 31,534,344	\$ 36,004,626
Total primary government net revenue	\$ (23,109,461)	\$ (28,282,800)	\$ (24,221,338)	\$ (26,917,764)	\$ (27,362,651)	\$ (28,115,939)	\$ (32,724,965)	\$ (28,137,240)	\$ (39,069,261)	\$ (38,280,683)
Net (expense)/revenue:	954,772	593,407	221,191	251,910	1,405,679	821,901	(31,511)	1,376,130	(526,452)	(520,026)
Governmental activities	\$ (22,154,689)	\$ (27,689,393)	\$ (24,000,147)	\$ (26,665,854)	\$ (25,956,972)	\$ (27,294,038)	\$ (32,756,476)	\$ (26,761,110)	\$ (39,595,713)	\$ (38,800,709)
Business-type activities										
Total primary government net revenue										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	\$ 16,811,235	\$ 16,644,915	\$ 17,460,068	\$ 19,129,795	\$ 19,706,339	\$ 20,509,620	\$ 21,101,306	\$ 21,873,081	\$ 23,043,924	\$ 24,044,123
Property taxes	2,297,173	2,528,808	2,907,012	3,359,486	4,160,197	4,295,821	5,666,709	6,080,249	9,454,798	10,347,087
Local option sales tax	831,079	3,253,055	3,394,916	3,450,729	3,925,149	4,455,506	3,853,453	3,697,301	3,646,376	3,427,105
Other taxes	3,868,384	3,826,882	3,989,746	5,180,301	5,498,675	4,875,270	5,087,847	6,896,994	6,857,583	6,966,258
Unrestricted intergovernmental revenues	25,486	20,654	7,989	21,420	112,565	326,502	740,424	1,242,792	857,781	54,004
Investment earnings	1,335,063	1,592,672	552,721	1,024,226	912,116	510,946	1,434,826	969,791	1,010,432	974,284
Miscellaneous	-	-	160,000	-	-	-	-	-	-	-
Gain/(loss) on sale of capital assets	27,168,420	27,866,986	28,472,452	32,165,957	34,315,041	34,973,665	37,884,565	40,760,208	44,870,894	45,812,861
Total governmental activities										

**Town of Huntersville  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Business-type activities:										
Investment earnings	5,415	360	35	64	784	1,636	5,969	14,015	40,115	44,880
NCMPA rebate	-	-	-	-	-	-	-	-	2,207,166	3,656,001
Total business-type activities	<u>5,415</u>	<u>360</u>	<u>35</u>	<u>64</u>	<u>784</u>	<u>1,636</u>	<u>5,969</u>	<u>14,015</u>	<u>2,247,281</u>	<u>3,700,881</u>
Total general revenues not including transfers	\$ <u>27,173,835</u>	\$ <u>27,867,346</u>	\$ <u>28,472,487</u>	\$ <u>32,166,021</u>	\$ <u>34,315,825</u>	\$ <u>34,975,301</u>	\$ <u>37,890,534</u>	\$ <u>40,774,223</u>	\$ <u>47,118,175</u>	\$ <u>49,513,742</u>
Transfers in	201,837	283,329	306,485	610,661	550,631	587,152	371,979	545,141	-	-
Transfers (out)	<u>(201,837)</u>	<u>(283,329)</u>	<u>(306,485)</u>	<u>(610,661)</u>	<u>(550,631)</u>	<u>(587,152)</u>	<u>(371,979)</u>	<u>(545,141)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	\$ <u>27,173,835</u>	\$ <u>27,867,346</u>	\$ <u>28,472,487</u>	\$ <u>32,166,021</u>	\$ <u>34,315,825</u>	\$ <u>34,975,301</u>	\$ <u>37,890,534</u>	\$ <u>40,774,223</u>	\$ <u>47,118,175</u>	\$ <u>49,513,742</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,857,122	\$ (699,143)	\$ 3,944,629	\$ 4,637,532	\$ 6,401,759	\$ 6,270,574	\$ 4,787,621	\$ 12,077,827	\$ 5,801,633	\$ 7,532,178
Business-type activities	<u>1,162,024</u>	<u>877,096</u>	<u>527,711</u>	<u>862,635</u>	<u>1,957,094</u>	<u>1,410,689</u>	<u>346,437</u>	<u>1,935,286</u>	<u>1,720,829</u>	<u>3,180,855</u>
Total primary government	\$ <u>5,019,146</u>	\$ <u>177,953</u>	\$ <u>4,472,340</u>	\$ <u>5,500,167</u>	\$ <u>8,358,853</u>	\$ <u>7,681,263</u>	\$ <u>5,134,058</u>	\$ <u>14,013,113</u>	\$ <u>7,522,462</u>	\$ <u>10,713,033</u>

Note: Accrual-basis financial information for the Town as a whole.

**Town of Huntersville**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Non Spendable	\$ 250,082	\$ 200,000	\$ 161,485	\$ 100,000	\$ 59,544	\$ 102,549	\$ 261,763	\$ 82,533	\$ 38,450	\$ 169,807
Restricted	17,759,882	18,692,186	18,617,957	19,131,477	19,875,049	26,319,800	23,622,711	21,043,750	23,746,949	22,240,718
Committed	780,000	780,000	780,000	964,965	1,640,592	1,640,592	13,799,646	13,102,564	10,689,029	13,243,542
Assigned	7,084,161	7,476,832	9,736,119	10,936,656	11,655,813	10,732,113	648,828	590,828	584,108	4,657,379
Unassigned	10,253,641	11,213,943	11,414,797	12,261,752	12,408,114	9,413,500	13,826,689	21,491,790	25,031,761	18,156,278
Total General Fund	\$36,127,766	\$38,362,961	\$40,710,358	\$43,394,850	\$45,639,112	\$48,208,554	\$52,159,637	\$56,311,465	\$60,090,297	\$58,467,724
All other governmental funds										
Capital Project										
Non Spendable	\$ 188,636	\$ 181,696	\$ 174,834	\$ 167,933	\$ 161,013	\$ -	\$ -	\$ 456	\$ -	\$ -
Restricted	5,787,404	734,632	9,068,606	8,629,671	7,266,064	16,074,309	4,677,448	3,307,540	17,422,892	16,221,733
Committed	1,175,673	1,115,112	359,227	299,097	279,288	2,762,752	1,080,743	990,562	725,155	541,718
Unassigned	(126,141)	-	(105,237)	(247,866)	(193,561)	(5,610,438)	(118,834)	(750,668)	-	-
Special Revenue										
Restricted	333,669	139,011	104,870	75,574	82,070	85,491	959,485	1,787,871	1,596,659	512,667
Assigned	1,889,971	1,976,088	2,162,347	1,495,994	1,156,578	1,195,443	794,689	2,252,377	3,552,901	4,315,188
Unassigned	(198,347)	(2,504)	(13,800)	-	-	-	(92,908)	(2,671,071)	(1,867,382)	(450,438)
Total all other governmental funds	\$ 9,050,865	\$ 4,144,035	\$11,750,847	\$10,420,403	\$ 8,751,452	\$14,507,557	\$ 7,300,623	\$ 4,917,067	\$21,430,225	\$21,140,868

Reserved in Capital Project Funds and Committed in Capital Project represent funds that by debt covenants or Town Board appropriation are restricted/committed to specific projects.

Reserved Special revenue funds and Restricted in Special Revenue represent funds that by State Statute can only be spent on specific eligible projects.

\* Prior to FY 2011 fund balance reporting reflects pre GASB 54 GAAP classifications. From FY 2011 forward current GAAP is reported.

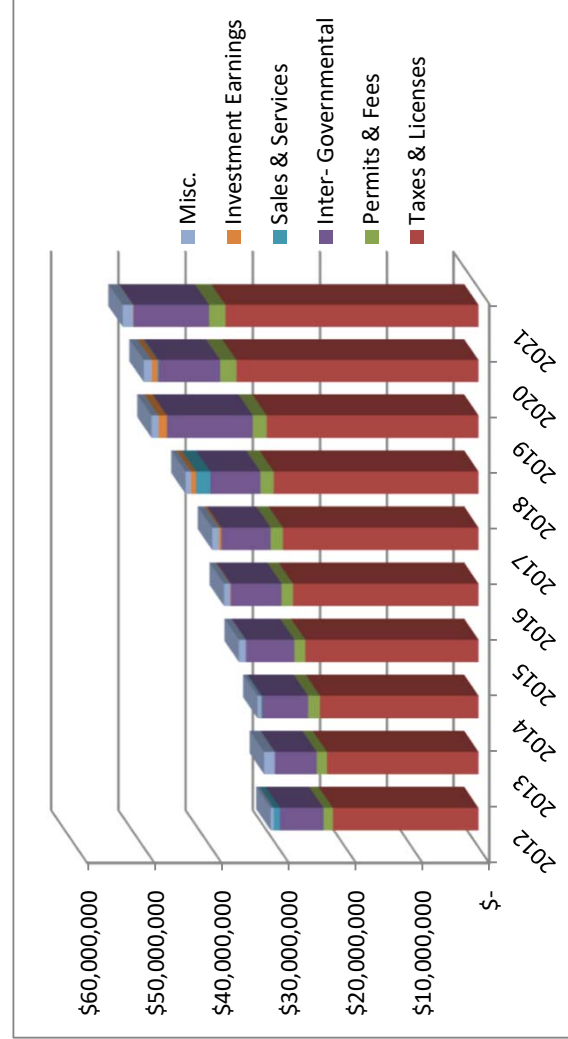
**Town of Huntersville**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Revenues</b>										
Ad Valorem Taxes	\$ 16,718,660	\$ 16,939,887	\$ 17,465,248	\$ 19,135,787	\$ 19,701,719	\$ 20,522,410	\$ 21,112,111	\$ 21,905,862	\$ 23,088,122	\$ 24,042,926
Other Taxes	5,128,252	5,781,863	6,301,928	6,810,215	8,085,346	8,751,327	9,520,162	9,777,550	13,101,174	13,774,192
Unrestricted Intergovernmental	3,868,384	3,826,882	3,989,746	5,180,301	5,498,675	4,875,270	5,087,847	6,896,994	6,857,583	6,966,258
Restricted Intergovernmental	2,610,684	2,391,865	2,821,955	2,031,380	2,038,017	2,457,846	2,337,618	5,857,186	2,273,287	4,273,099
Permits and fees	1,408,461	1,527,471	1,769,277	1,617,787	1,697,378	1,829,843	2,001,012	2,085,808	1,807,309	1,729,671
Land development fees	-	-	-	-	-	-	-	-	619,362	721,880
Investment Earnings	25,486	20,654	7,989	21,420	112,565	326,502	740,424	1,242,792	857,781	54,004
Sale of land	891,102	-	160,000	-	-	-	2,139,835	-	170,828	-
Miscellaneous	443,950	1,592,672	552,721	1,024,226	912,116	1,054,906	824,035	1,061,941	1,200,929	1,540,790
Total revenues	<u>\$ 31,094,979</u>	<u>\$ 32,081,294</u>	<u>\$ 33,068,864</u>	<u>\$ 35,821,116</u>	<u>\$ 38,045,816</u>	<u>\$ 39,818,104</u>	<u>\$ 43,763,044</u>	<u>\$ 48,828,133</u>	<u>\$ 49,976,375</u>	<u>\$ 53,102,820</u>
<b>Expenditures</b>										
General government	\$ 1,643,177	\$ 1,707,647	\$ 1,862,536	\$ 2,039,151	\$ 2,104,818	\$ 2,552,641	\$ 2,402,844	2,128,475	2,378,809	3,230,249
Transportation	81,698	148,412	354,723	204,233	930,697	442,208	1,414,872	(3,015,157)	(3,210,073)	(3,698,506)
Planning	873,392	874,587	940,460	841,466	862,986	1,095,407	1,144,030	1,185,092	1,258,081	1,224,871
Public Safety	10,116,988	10,837,520	10,991,956	11,209,062	10,378,206	13,062,771	14,368,063	15,457,040	16,075,124	17,049,270
Public Works	4,617,816	5,867,929	5,234,491	5,315,075	8,753,766	6,847,713	7,497,467	10,387,342	14,065,949	18,307,120
Cultural and Recreation	2,920,419	3,495,586	3,522,497	4,764,878	3,261,433	4,012,414	3,890,924	4,428,651	4,396,522	(462,781)
Capital Outlay	10,238,596	7,788,410	3,335,557	4,765,203	6,059,075	6,035,930	10,921,763	11,266,898	8,193,378	13,857,612
<b>Debt service</b>										
Principal	\$ 1,584,707	\$ 2,560,107	\$ 3,026,428	\$ 3,520,342	\$ 3,683,117	\$ 4,818,215	\$ 3,598,188	\$ 3,371,215	\$ 3,087,860	\$ 3,694,000
Bond Issuance Cost	-	-	-	-	-	-	-	-	53,898	-
Interest and other charges	1,463,137	1,536,273	1,640,211	1,636,104	1,571,210	1,539,811	1,408,763	1,305,164	1,139,266	1,812,915
Total expenditures	<u>\$ 33,539,930</u>	<u>\$ 34,816,471</u>	<u>\$ 30,908,859</u>	<u>\$ 34,295,514</u>	<u>\$ 37,605,308</u>	<u>\$ 40,407,110</u>	<u>\$ 46,646,914</u>	<u>\$ 46,514,720</u>	<u>\$ 47,438,814</u>	<u>\$ 55,014,750</u>
Excess of revenues over (under) expenditures	\$ (2,444,951)	\$ (2,735,177)	\$ 2,160,005	\$ 1,525,602	\$ 440,508	\$ (589,006)	\$ (2,883,870)	\$ 2,313,413	\$ 2,537,561	\$ (1,911,930)
<b>Other financing sources (uses)</b>										
General obligation debt issued (including refunding bonds)	-	-	7,600,000	-	2,341,000	11,375,000	-	-	19,535,000	-
Long-term debt issued	5,800,000	-	-	-	-	-	-	-	-	-
Limited obligation bonds issued	16,763,060	-	-	-	-	-	-	-	-	-
Bond Premium	1,797,528	-	111,266	-	-	681,210	-	-	2,989,140	-
Escrow paid to agent	(18,670,138)	-	-	-	(2,290,193)	(3,178,674)	-	-	(4,769,711)	-
Transfers to other funds	(201,837)	(283,329)	(306,485)	(610,661)	(550,631)	(587,152)	(371,979)	(545,141)	(1,016,547)	(8,994)
Transfers from other funds	-	-	-	-	-	-	-	-	1,016,547	8,994
Capital lease obligations issued	347,355	346,871	389,423	439,107	634,627	624,169	-	-	-	-
Total other financing sources (uses)	<u>\$ 5,835,968</u>	<u>\$ 63,542</u>	<u>\$ 7,794,204</u>	<u>\$ (171,554)</u>	<u>\$ 134,803</u>	<u>\$ 8,914,553</u>	<u>\$ (371,979)</u>	<u>\$ (545,141)</u>	<u>\$ 17,754,429</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ 3,391,017</u>	<u>\$ (2,671,635)</u>	<u>\$ 9,954,209</u>	<u>\$ 1,354,048</u>	<u>\$ 575,311</u>	<u>\$ 8,325,547</u>	<u>\$ (3,255,849)</u>	<u>\$ 1,768,272</u>	<u>\$ 20,291,990</u>	<u>\$ (1,911,930)</u>
Debt services as a percentage of noncapital expenditures	13.1%	15.2%	16.9%	17.5%	16.7%	18.5%	14.0%	13.3%	10.9%	13.4%

Table 5

**Town of Huntersville  
Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years**

Fiscal Year	Taxes & Licenses	Permits & Fees	Inter-Governmental	Sales & Services	Investment Earnings	Misc.	Fiscal Year Total
2012	\$ 21,846,912	\$ 1,408,461	\$ 6,479,068	\$ 891,102	\$ 25,486	\$ 443,950	\$ 31,094,979
2013	22,721,750	1,527,471	6,218,747	-	20,654	1,592,672	32,081,294
2014	23,767,176	1,769,277	6,811,701	160,000	7,989	552,721	33,068,864
2015	25,946,002	1,617,787	7,211,681	-	21,420	1,024,226	35,821,116
2016	27,787,065	1,697,378	7,536,692	-	112,565	912,116	38,045,816
2017	29,273,737	1,829,843	7,333,116	-	326,502	1,054,906	39,818,104
2018	30,632,273	2,001,012	7,425,465	2,139,835	740,424	824,035	43,763,044
2019	31,683,412	2,085,808	12,754,180	-	1,242,792	1,061,941	48,828,133
2020	36,189,296	2,426,671	9,130,870	170,828	857,781	1,200,929	49,976,375
2021	37,817,118	2,451,551	11,239,357	-	54,004	1,540,790	53,102,820



Compiled from Annual Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Types, using the modified accrual basis of accounting.

**Town of Huntersville**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Table 6**

Fiscal Year Ended June	Real Property	Personal Property	Public Service Companies	Total Taxable Assessed Value*	Total Direct Tax Rate **
2012	\$ 5,292,773,189	\$ 774,138,775	\$ 49,471,036	\$6,116,383,000	\$ 0.2825
2013	5,340,576,543	828,962,651	51,526,646	6,221,065,840	0.2825
2014	5,314,961,977	805,435,256	62,854,802	6,183,252,035	0.2825
2015	5,303,300,862	858,232,294	65,929,466	6,227,462,622	0.3050
2016	5,500,911,354	927,914,269	71,726,180	6,500,551,803	0.3050
2017	5,626,221,010	984,770,426	76,436,105	6,687,427,541	0.3050
2018	5,807,942,173	1,010,222,949	77,658,485	6,895,823,607	0.3050
2019	6,008,846,502	1,058,640,885	85,360,810	7,152,848,197	0.3050
2020	8,380,929,151	1,175,683,030	89,313,236	9,645,925,417	0.2400
2021	8,621,384,214	1,264,552,481	100,527,354	9,986,464,049	0.2400

Source: Mecklenburg County Tax Assessor's Office

\*Total assessed values are net of abatements

\*\*Tax rate is per \$100 of assessed valuation

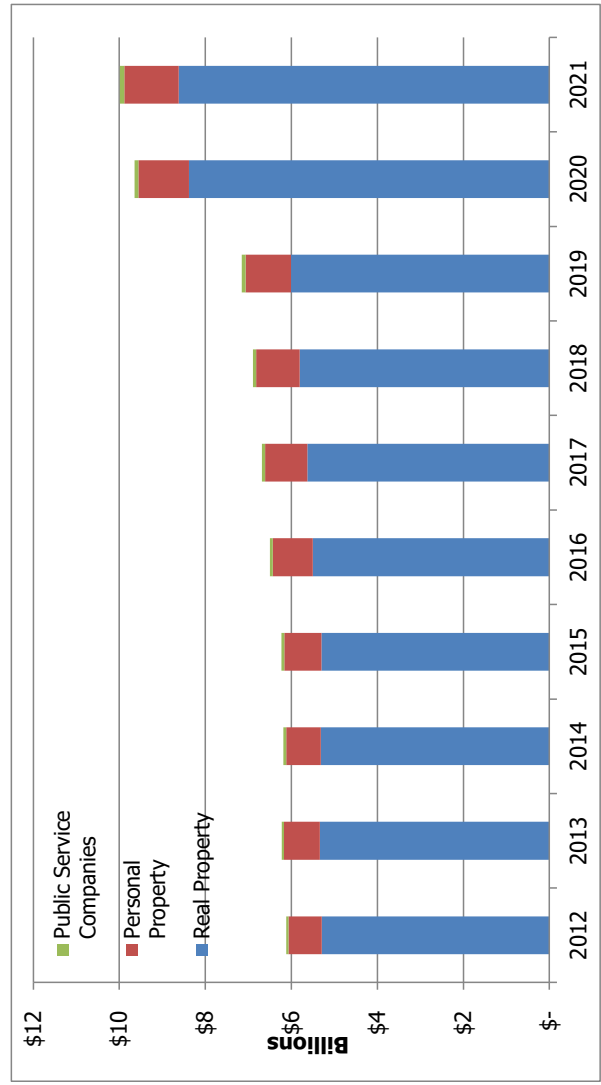
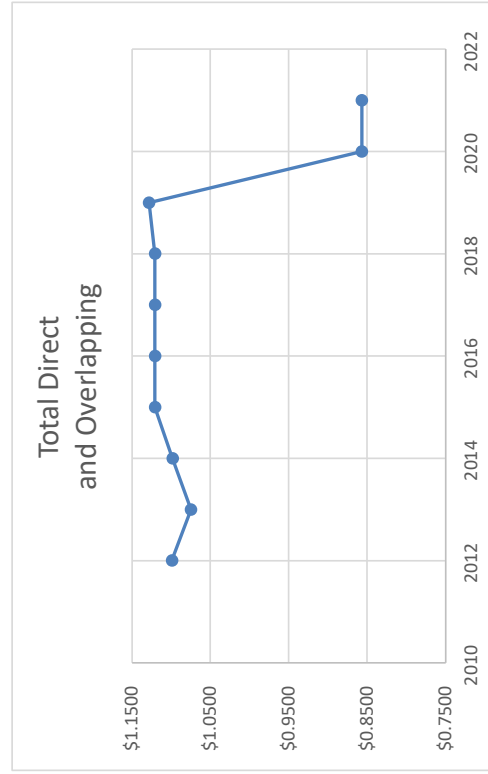


Table 7

**Town of Huntersville  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	Town of Huntersville		Mecklenburg County		Total Direct and Overlapping
	Operating Rate		County Rate		
2012	\$ 0.2825		\$ 0.8166		1.0991
2013	0.2825		0.7922		1.0747
2014	0.2825		0.8157		1.0982
2015	0.3050		0.8157		1.1207
2016	0.3050		0.8157		1.1207
2017	0.3050		0.8157		1.1207
2018	0.3050		0.8157		1.1207
2019	0.3050		0.8232		1.1282
2020	0.2400		0.6169		0.8569
2021	0.2400		0.6169		0.8569



Source: Mecklenburg County Tax Collector's Office

Note: Direct and Overlapping rate applies to all Town properties, as all Town properties are also subject to the Mecklenburg County tax rate. There are no special district rates within the Town of Huntersville.



**Town of Huntersville**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**

**Table 8**

<b>2021</b>					<b>2011</b>				
<b>Rank</b>	<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Rank</b>	<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>
1	CSP Community Owner LLC	Apartment Leasing	\$ 134,707,100	1.35%	1	Bank of America	Business Park	\$ 87,664,700	1.75%
2	DDRTC Birkdale Village LLC	Retail Leasing	122,337,897	1.23%	2	TIAA	Office Park	74,151,373	1.48%
3	Joe Gibbs Racing Inc	NASCAR	66,696,199	0.67%	3	DDRTC Birkdale Village LLC	Retail Leasing	48,455,300	0.97%
4	Northcross Land Development LP, Inc	Office Park	64,186,200	0.64%	4	Prairie Packaging Inc.	Industrial Manufacturing	43,806,340	0.87%
5	Reynolds Consumer Products, LLC	Industrial manufacturing	59,559,132	0.60%	5	Joe Gibbs Racing Inc	NASCAR	38,541,042	0.77%
6	Piedmont Natural Gas Company, Inc.	Utility	52,163,520	0.52%	6	Northcross Land Development LP, Inc	Office Park	31,237,200	0.62%
7	Southwire Company, LLC	Manufacturing	51,161,376	0.51%	7	CSP Community Owner LLC	Apartment Leasing	21,635,000	0.43%
8	B CORE MF as Lake Norman	Apartment Leasing	46,177,411	0.46%	8	Northcross Marquis LP	Apartment Leasing	20,882,000	0.42%
9	The Collection at The Park, LLC	Apartment Leasing	44,596,000	0.45%	9	American Tire Distr. Inc.	Distribution Center	17,455,025	0.35%
10	IPT Charlotte DC, LP	Distribution Center	43,363,600	0.43%	10	G Partnership	Apartment Leasing	15,319,900	0.31%
<b>Totals \$ 684,948,435</b>				<b>6.86%</b>	<b>Totals \$ 399,147,880</b>				<b>7.97%</b>

Source: Mecklenburg County Office of the Tax Collector

Table 9

**Town of Huntersville  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

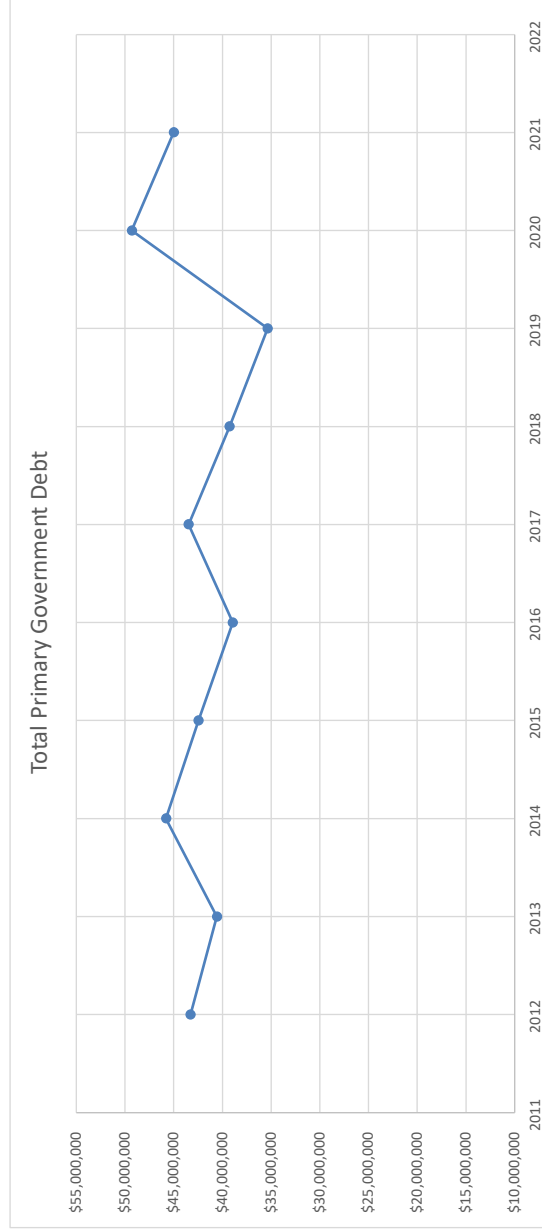
<b>Fiscal Year Ended June 30</b>	<b>Total Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2012	\$ 17,278,782	\$ 16,827,532	97.39%	\$ 431,864	\$ 17,259,396	99.89%
2013	17,574,511	17,305,732	98.47%	246,366	17,552,098	99.87%
2014	17,467,687	17,305,232	99.07%	137,730	17,442,962	99.86%
2015	18,993,761	18,806,092	99.01%	172,429	18,978,521	99.92%
2016	19,826,683	19,747,521	99.60%	64,290	19,811,811	99.92%
2017	20,396,654	20,325,588	99.65%	53,532	20,379,120	99.91%
2018	21,032,262	20,964,058	99.68%	39,202	21,003,260	99.86%
2019	21,816,135	21,756,075	99.72%	36,813	21,792,888	99.89%
2020	23,150,221	22,978,652	99.26%	117,653	23,096,305	99.77%
2021	23,967,514	23,858,917	99.55%	-	23,858,917	99.55%

Analysis of Current Year Tax and Tax Collections Report - Net of Abatements

Table 10

**Town of Huntersville**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental				Business-type				Total Primary Government	Per Capita	Debt Per Capita as % of Median Income		Population
	General Obligation Bonds	Bond Premium	Installment Financings & LOBS	Capital Leases	General Obligation Bonds	Bond Premium	Installment Financings & LOBS	Capital Leases					
2012	\$ 14,905,000	\$ 1,617,775	\$ 24,696,393	\$ 228,335	\$ -	\$ -	\$ 1,786,777	\$ 37,450	\$ 43,271,730	893	1.74%		48,463
2013	14,200,000	1,438,022	23,081,287	342,940	-	-	1,500,380	2,988	40,565,617	809	1.55%		50,141
2014	21,095,000	1,369,535	21,120,226	371,996	500,000	-	1,259,780	-	45,792,377	875	1.63%		52,309
2015	19,975,000	1,178,655	19,110,399	420,588	470,000	75,840	1,022,940	208,189	42,454,027	789	1.41%		53,821
2016	18,707,000	987,775	17,226,753	574,551	440,000	60,672	789,920	159,181	38,945,852	700	1.23%		55,602
2017	25,341,000	1,673,449	14,749,280	623,977	410,000	53,088	560,720	62,213	43,473,727	761	1.28%		57,145
2018	23,584,000	1,394,914	13,323,474	208,595	380,000	45,504	331,520	4,691	39,272,698	660	1.07%		59,494
2019	21,856,000	1,116,379	11,888,854	-	350,000	37,920	106,140	-	35,355,293	578	0.90%		61,220
2020	34,917,000	3,528,070	10,504,994	-	325,000	30,336	-	-	49,305,400	789	1.18%		62,528
2021	32,573,000	2,950,623	9,154,994	-	300,000	22,752	-	-	45,001,369	733	N/A		61,376



Note 1: Details regarding the city's outstanding debt can be found in the Town's financial statements.

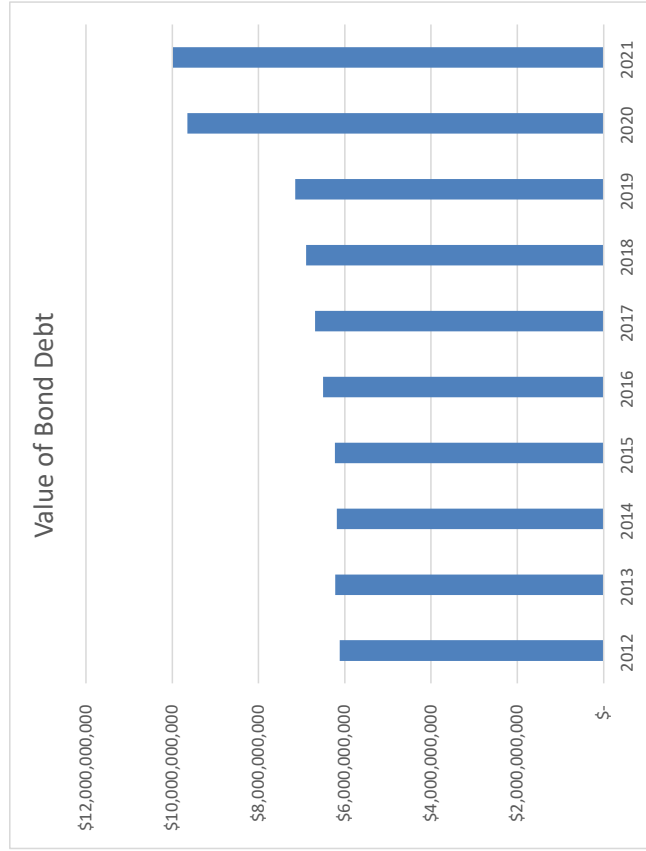
Note 2: Debt excludes LEO separation allowances and compensated absences.

Note 3: Population amounts are as of July 1 of the fiscal year.

Note 4: Percentage of Per capita calculation are based on median household income, 2021 Median Family Income not yet available.

**Town of Huntersville**  
**Table 11**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Assessed Value	Ratio of Bonded Debt To Assess Value	Population	GO Debt Per Capita
2012	\$ 14,905,000	\$6,116,383,000	0.24%	48,463	308
2013	14,200,000	6,221,065,840	0.23%	50,141	283
2014	21,595,000	6,183,252,035	0.35%	52,309	413
2015	20,445,000	6,227,462,622	0.33%	53,821	380
2016	19,147,000	6,500,551,803	0.29%	55,602	344
2017	25,751,000	6,687,427,541	0.39%	57,145	451
2018	23,964,000	6,895,823,607	0.35%	59,494	403
2019	23,000,795	7,152,848,197	0.32%	61,220	376
2020	38,620,655	9,645,925,417	0.40%	62,528	618
2021	35,846,375	9,986,464,049	0.36%	61,376	584



Note 1: Details regarding the Town's outstanding debt can be found in the Town's financial statements.

**Town of Huntersville**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

**Table 12**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<i>Towns:</i>			
Huntersville (1)	\$ 44,678,617	100%	\$ 44,678,617
<i>Counties:</i>			
Mecklenburg County (2)	<u>1,711,962,003</u>	5.16%	<u>88,337,239</u>
Total direct and overlapping debt	<u>\$ 1,756,640,620</u>		<u>\$ 133,015,856</u>

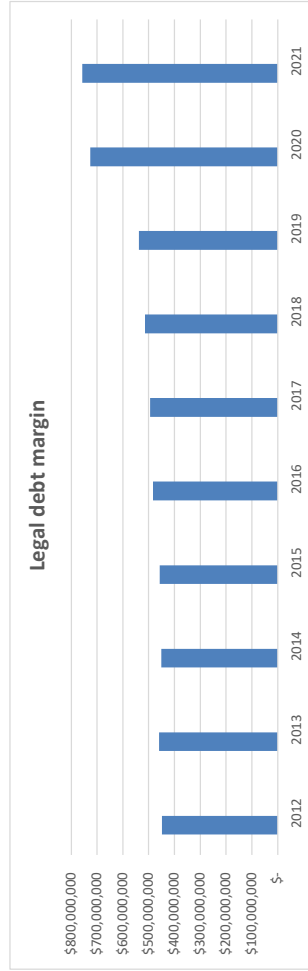
Sources:  
 (1) Audited annual financial reports  
 (2) Mecklenburg County finance department

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the citizens of the Town of Huntersville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the citizens should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

The Estimated Percentage Applicable represents the Town's proportionate share of County debt based upon the Town's percentage of the total County assessed value.

**Town of Huntersville  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Value of Property	\$ 6,116,383,000	\$ 6,221,065,840	\$ 6,183,252,035	\$ 6,227,462,622	\$ 6,500,551,803	\$ 6,687,427,541	\$ 6,895,823,607	\$ 7,152,848,197	\$ 9,645,925,417	\$ 9,986,464,049
Debt Limit, 8% of Assessed Value (Statutory Limitation)	489,310,640	497,685,267	494,660,163	498,197,010	520,044,144	534,994,203	551,665,889	572,227,845	771,674,033	798,917,124
Debt applicable to debt limitations:										
Total bonded debt	14,905,000	14,200,000	21,595,000	20,445,000	19,147,000	25,751,000	23,964,000	22,206,000	35,242,000	32,873,000
Debt not evidenced by bonds	26,483,170	24,581,667	22,380,006	20,133,339	18,016,673	15,310,000	13,654,994	11,994,994	10,504,994	9,154,994
Statutory Deductions	(14,905,000)	(14,200,000)	(21,595,000)	(20,445,000)	(19,147,000)	(25,751,000)	(23,964,000)	(22,206,000)	(35,242,000)	(32,873,000)
Total debt applicable to limitations	(26,483,170)	(24,581,667)	(22,380,006)	(20,133,339)	(18,016,673)	(15,310,000)	(13,654,994)	(11,994,994)	(10,504,994)	(9,154,994)
Legal debt margin	\$ 447,922,470	\$ 458,903,600	\$ 450,685,157	\$ 457,618,671	\$ 482,880,471	\$ 493,933,203	\$ 514,046,895	\$ 538,026,851	\$ 725,927,039	\$ 756,889,130
Total net debt applicable to the limit as a percentage of debt limit	5.4%	4.9%	4.5%	4.0%	3.5%	2.9%	2.5%	2.1%	1.4%	1.1%



Note: Under state finance law, the Town of Huntersville outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 14

**Town of Huntersville**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population *</b>	<b>Total Personal Income **</b>	<b>Per Capita Personal Income ***</b>	<b>School Enrollment****</b>	<b>Unemployment Rate*****</b>	<b>Median Household Income*****</b>
2012	48,463	\$ 6,627,169,861	\$ 27,385	136,747	5.8%	\$ 51,371
2013	50,141	7,008,307,852	27,884	139,772	5.0%	52,250
2014	52,309	7,452,253,994	39,446	142,466	3.7%	53,657
2015	53,821	7,754,906,427	47,217	144,087	4.1%	55,775
2016	55,602	Not Available	Not Available	146,140	3.4%	56,854
2017	57,145	Not Available	Not Available	147,910	3.2%	59,268
2018	59,494	Not Available	Not Available	147,359	3.4%	61,695
2019	61,220	Not Available	Not Available	147,352	3.5%	64,312
2020	62,528	Not Available	Not Available	146,887	6.4%	66,641
2021	61,376	Not Available	Not Available	140,073	3.8%	Not Available

**Sources:**

\* NC Office of State Demographer

\*\* Total Personal Income for the Town is calculated as Per Capita Income times Population

\*\*\* Federal Agency Data: Bureau of the Census - US Statistical Abstract

\*\*\*\* Mecklenburg County School Systems

\*\*\*\*\* NC Dept of Commerce, Employment Security Commission

\*\*\*\*\*US Census Bureau, Mecklenburg County Data, Town of Huntersville Data not available

2021 Median family income is not available.

**Town of Huntersville  
Principal Employers  
Current Year and One Year Ago**

**Table 15**

<b>2021</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
McGuire Nuclear Station (Duke Energy)	1200	1	1.96%
Novant Health	700	2	1.14%
Joe Gibbs Racing	650	3	1.06%
Metrolina Greenhouses	650	4	1.06%
Reynolds Consumer Products	570	5	0.93%
Rubbermaid	400	6	0.65%
Forbo Siegling, LLC	335	7	0.55%
GM Financial	300	8	0.49%
Saertex	220	9	0.36%
Burkert	135	10	0.22%
	<u>5,160</u>		<u>8.41%</u>
<b>2020</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
McGuire Nuclear Station (Duke Energy)	1200	1	1.92%
Novant Health	700	2	1.12%
Joe Gibbs Racing	650	3	1.04%
Metrolina Greenhouses	650	4	1.04%
Reynolds Consumer Products	570	5	0.91%
Rubbermaid	400	6	0.64%
Ensemble Health Partners	400	7	0.64%
Forbo Siegling, LLC	322	8	0.51%
Walmart	300	9	0.48%
GM Financial	300	10	0.48%
	<u>5,492</u>		<u>8.78%</u>

Note: Information obtained from Lake Norman Regional Economic Development Corporation  
Information includes Employers in the Town's Extra-Territorial Jurisdiction  
Additional detail not available.



Table 16

**Town of Huntersville  
Employee Position Budgeted by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Administration	6	6	7	8	7	7	7	7	7	9
Finance	5	5	5	5	5	5	5	5	5	5
Planning, Transportation, Legal	12	12	12	12	12	12	12	13	14	15
Public Works / Engineering	12	14	15	15	17	17	21	26	26	28
Parks and Recreation	19	19	20	20	21	21	23	23	23	24
Police	91	92	92	92	94	99	102	110	110	111
	<u>145</u>	<u>148</u>	<u>151</u>	<u>152</u>	<u>156</u>	<u>161</u>	<u>170</u>	<u>184</u>	<u>185</u>	<u>192</u>

**Town of Huntersville  
Operating Indicators by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Police *										
Violent crimes	85	50	57	73	61	59	73	72	79	*
Property crimes	1,064	922	1,004	899	1,141	979	906	905	899	*
Fire										
Number of calls for service ***	2,510	2,899	3,166	3,477	3,743	4,742	6,542	6,734	6,405	*
Parks & Recreation										
Park and Facility Visits	1,241,173	1,329,140	1,314,614	1,307,807	1,361,483	1,393,579	1,423,549	1,500,055	1,416,029	1,451,193
Program and Event Participants	25,378	22,171	26,972	24,365	27,393	28,203	38,567	37,892	18,775	12,466
Baseball and Softball Games Played	3,411	3,156	3,768	3,402	3,621	4,016	4,244	4,091	2,452	3,280
Public Works										
Residential solid waste collection										
Residential units	16,415	16,729	17,073	17,461	17,678	18,190	18,761	19,144	19,677	20,401
Tons of municipal waste	12,843.00	12,638.00	13,414.11	13,699.61	13,831.93	14,466.70	14,413.65	16,228.60	15,811.30	20,713.99
Tons recycled	4,170.00	4,057.00	4,148.45	3,404.63	3,460.78	3,780.84	4,245.41	4,296.45	4,268.42	5,303.53
Tons yard waste collected	4,331.00	5,111.00	5,368.29	5,580.93	5,056.62	4,093.06	5,360.22	4,799.34	5,323.69	4,889.04
Planning										
Corporate Limits (square miles)	40.21	40.25	40.51	40.57	40.74	40.87	41.14	41.5	41.75	42.03
Extra-Territorial Jurisdiction (sq miles)	23.25	23.21	22.95	22.89	22.72	22.59	22.32	21.92	21.71	21.43
Electric										
Number of customers	4,433	4,577	4,733	4,898	5,053	5,570	5,805	6,476	6,886	7,570
Number of KWh purchased	174,513,112	193,710,324	208,194,769	212,658,310	229,012,481	239,025,743	243,891,914	249,094,602	246,565,420	250,847,826
Number of KWh sold	168,494,771	185,570,569	202,262,450	205,137,386	221,343,918	231,128,693	234,471,254	242,221,786	240,211,629	240,014,953
Huntersville Family Fitness & Aquatics Center										
Number of Members	DNA	6,400	8,806	10,437	9,844	7,834	8,799	9,311	8,224	7,774
Number of Visitors	24,375	24,207	17,326	20,248	23,728	22,172	24,627	24,116	17,752	11,361

Sources: Various government departments.

NOTE: \*Police and Fire statistics are for calendar, not fiscal years; 2021 data not yet available.

\*\* For 2013, 2014, and 2015, arrests by citations and warrant service are not included.

\*\*\* 2007-2010 Data for Station 1; 2011 - 2016 data represents calls for service after the merger with Gilead Fire Department.

DNA = Data Not Available

**Town of Huntersville  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	4	4	4	4
Public Works										
Highways and streets										
Streets (miles)	180.79	187.82	192.9	195.9	200.31	205.72	207.08	207.55	211.02	221.54
Parks and Recreation										
Parks	15	15	15	15	15	15	15	15	15	15
Acreage	461	461	461	461	461	461	461	461	461	461
Park Trail Mileage	11	11	11	11	11	11	11	11	12.5	12.5
Soccer Fields	15	15	15	15	15	15	14	14	14	14
Ball Fields	17	17	17	17	17	17	19	19	19	19
Tennis Courts	13	13	13	13	13	13	13	13	21	21
Playgrounds	12	12	12	12	12	12	12	12	12	12
Interlocal Agreements	5	5	5	5	5	6	8	8	10	10
Aquatic Facility	1	1	1	1	1	1	1	1	1	1
Indoor Pools	2	2	2	2	2	2	2	2	2	2
Outdoor Pool	1	1	1	1	1	1	1	1	1	1
Electric Distribution lines (in miles)	77.5	84	86.5	89	92	94	96.5	98	133	138

Data provided by Town Staff



## **COMPLIANCE SECTION**



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

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

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

### **Independent Auditor's Report**

To the Board of Commissioners  
Town of Huntersville  
Huntersville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Huntersville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Huntersville's basic financial statements, and have issued our report thereon dated November 9, 2021.

### **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when 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 the Town of Huntersville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 9, 2021



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

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

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

### **Independent Auditor's Report**

To the Board of Commissioners  
Town of Huntersville  
Huntersville, North Carolina

#### **Report on Compliance for Each Major Federal Program**

We have audited the compliance of the Town of Huntersville, North Carolina, with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Town of Huntersville's major federal programs for the year ended June 30, 2021. The Town of Huntersville's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Huntersville's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Huntersville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 9, 2021

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

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

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

### **Independent Auditor's Report**

To the Board of Commissioners  
Town of Huntersville  
Huntersville, North Carolina

#### **Report on Compliance for Each Major State Program**

We have audited the Town of Huntersville, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Government Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Town of Huntersville's major state programs for the year ended June 30, 2021. The Town of Huntersville's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

### **Opinion on Each Major State Program**

In our opinion, the Town of Huntersville 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 the Town of Huntersville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Huntersville'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 our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 9, 2021

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

### 1. Summary of Auditor's Results

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

#### Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
Identification of major federal programs:	

#### Federal Program

#### AL Number

Highway Planning and Construction Cluster	20.205
COVID 19 - Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	No

# **TOWN OF HUNTERSVILLE, NORTH CAROLINA**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021**

### **1. Summary of Auditor's Results (continued)**

#### **State Awards**

Internal control over state programs:

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

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

Unmodified

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

No

Identification of major state programs:

#### **Program Name**

Powell Bill

### **2. Financial Statement Findings**

None reported.

### **3. Federal Award Findings and Questioned Costs**

None reported.

### **4. State Award Findings and Questioned Costs**

None reported.

**TOWN OF HUNTERSVILLE, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

None reported.

# TOWN OF HUNTERSVILLE, NORTH CAROLINA

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2021

Federal/State Program Program Title	Assistance Listing Number	State/ Pass-Through Grantor's Number	Fed. (Direct & Pass-Through) Expenditures	State Expenditures	Pass-Through to Subrecipients
<b><u>Federal Assistance</u></b>					
<b><u>U.S. Department of Housing and Urban Development</u></b>					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants -					
Huntington Green	14.218		\$ 173,794	\$ -	\$ -
Total for CDBG - Entitlement Grants Cluster			173,794	-	-
<b><u>U.S. Department of Justice</u></b>					
Equitable Sharing Program	16.922		223,718	-	-
<b><u>U.S. Department of Transportation</u></b>					
Passed through NC Dept of Transportation					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	WBS 46453.2.1	233,905	-	-
Total Highway Planning and Construction Cluster			233,905	-	-
Passed through NC Dept of Public Safety					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	WBS 22020.6.21	11,607	-	-
Total Highway Safety Cluster			11,607	-	-
<b><u>U.S. Department of Treasury</u></b>					
Passed through Mecklenburg County					
COVID 19- Coronavirus Relief Fund	21.019		343,403	-	-
<b><u>U.S. Department of Homeland Security</u></b>					
Federal Emergency Management Agency	97.036		30,630	-	-
Homeland Security Grant Program	97.067		167,586	-	-
Total federal assistance			\$ 1,184,643	\$ -	\$ -
<b><u>State Assistance</u></b>					
<b><u>North Carolina Department of Transportation</u></b>					
Powell Bill	N/A	DOT-4		\$ 2,113,948	\$ -
<b><u>North Carolina Department of Health and Human Services</u></b>					
Ocular Melanoma	N/A	NCAS 2000434767		12,787	-
<b><u>North Carolina Department of Cultural and National Resources</u></b>					
Parks and Recreation Trust Fund	N/A	2021-929		38,809	-
2018-2019 Legislatively Directed Grant	N/A	536624		41,821	-
Total state assistance				\$ 2,207,365	\$ -

### Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the Town of Huntersville 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 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Town of Huntersville, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Huntersville.

### Note 2 - Summary of Significant Accounting Policies

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

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