

**REVIEWED**

*By SLGFD at 7:05 am, Dec 17, 2021*



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



**CITY OF STATESVILLE, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
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## ***INTRODUCTORY SECTION***

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November 17, 2021

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Statesville for the fiscal year ended June 30, 2021. The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. We believe the data is presented in a manner designed to set forth fairly the financial position and results of operations for the City of Statesville for fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City of Statesville. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Statesville has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Statesville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Statesville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Statesville's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A. of Hickory, North Carolina, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Statesville for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Statesville's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## ***Letter of Transmittal***

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### **Profile of the City**

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

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

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

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

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

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

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

## ***Letter of Transmittal***

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

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

### **Factors Affecting Financial Condition**

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

#### **Local Economy**

Statesville is home to a wide range of businesses from high-tech manufacturing to distribution and service industries and was well-positioned to benefit from the economic recovery and return to a stable economic base. At June 30, 2021, the unemployment rate in Iredell County declined to 4.7%.

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

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

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

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

### **Long-term Financial Planning**

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

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Statesville, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the thirtieth consecutive year that the City of Statesville has received this prestigious award.

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

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

The City of Statesville also received GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning July 1, 2020. This was the nineteenth consecutive year that the City of Statesville has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

***Letter of Transmittal***

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

Respectfully submitted,

A handwritten signature in black ink that reads "Ron Smith". The signature is written in a cursive, slightly stylized font.

Ron Smith  
City Manager

A handwritten signature in black ink that reads "Brian Roberts". The signature is written in a cursive, slightly stylized font.

Brian Roberts  
Finance Director

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**LIST OF PRINCIPAL OFFICIALS**  
*June 30, 2021*

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Elected Officials – City Council

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

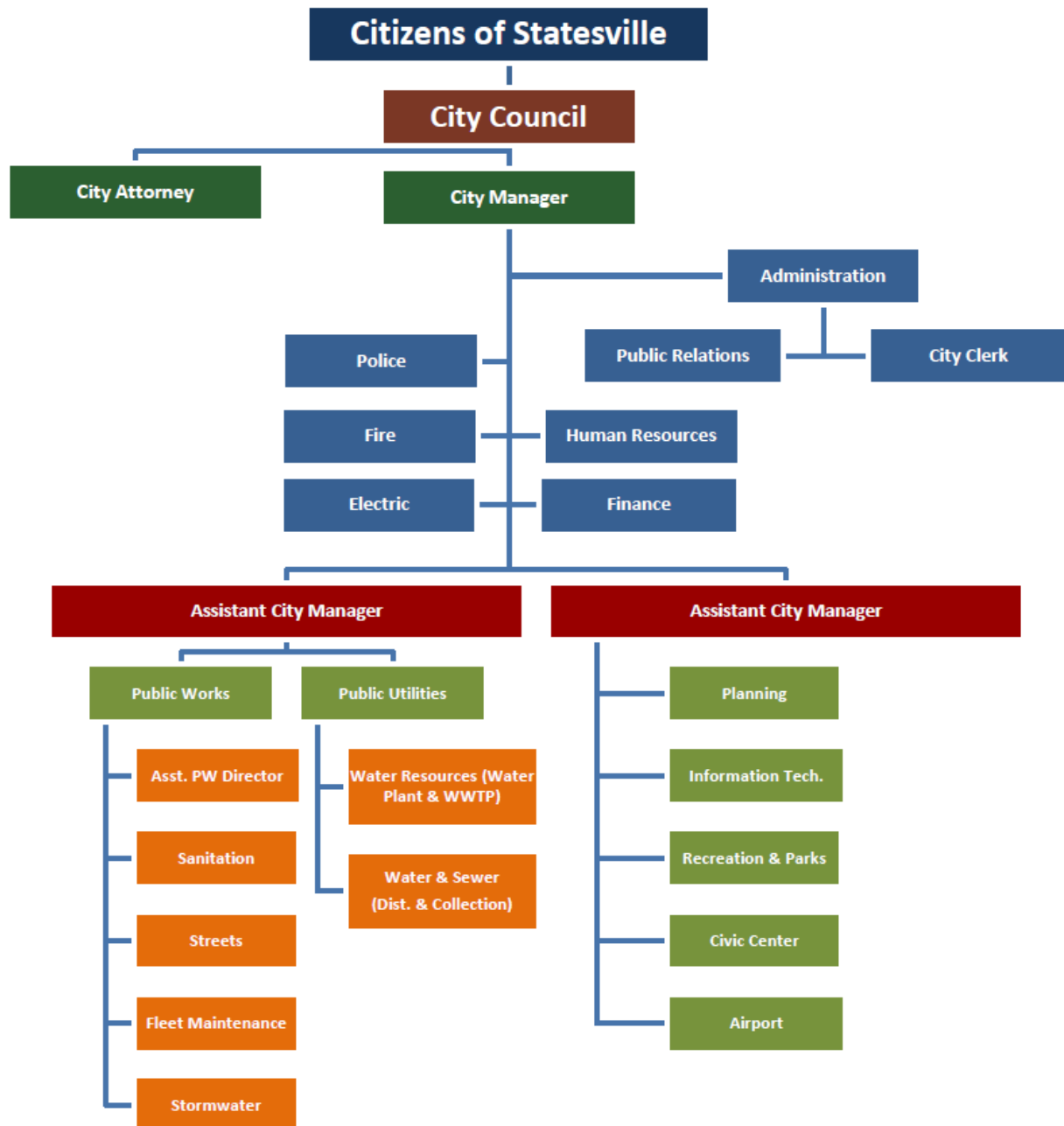
Council Appointed Officials

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

City Staff

Assistant City Manager ..... Scott Harrell, PE  
City Clerk ..... Brenda J. Fugett  
Finance Director ..... Brian Roberts, CPA, CFE, NCCLGFO  
Human Resources Director ..... Stacey Everette  
Information Technology Director ..... Nikki L. Gregory, CGCIO  
Public Works Director ..... Mark Taylor, PE

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





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Statesville  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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

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

## **Independent Auditors' Report**

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

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

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

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Statesville ABC Board, which represents 90.79 percent, 83.13 percent, and 98.01 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor, whose report has been furnished to us and, our opinion, insofar as it relates to the amounts included for the City of Statesville ABC Board, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. The financial statements of the Statesville Convention & Visitors Bureau and the City of Statesville ABC Board were not audited in accordance with *Government Auditing Standards*.

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

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Statesville, North Carolina, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Statesville's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, and statistical tables, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors.

In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021, on our consideration of the City of Statesville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City of Statesville's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
November 17, 2021

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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

**Financial Highlights**

- The assets and deferred outflows of resources of the City of Statesville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$268,370,340 (*net position*).
- The City's total net position increased by \$21,728,632, due to the operating results of the City's governmental activities increasing by \$4,965,496, and the City's business-type activities increasing by \$16,763,136.
- As of the close of the current fiscal year, the City of Statesville's governmental funds reported combined ending fund balances of \$37,618,247, an increase of \$6,019,680 from the prior year. Approximately 61.17% of this total amount, or \$23,009,643, is available for spending at the City Council's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,189,923, or 65.16%, of total General Fund expenditures and transfers out.
- The City of Statesville's total debt increased by \$1,940,072 during the current fiscal year. The increase is the net result of the City's principal payments of \$3,059,928 against \$5,000,000 of new debt within the Water and Sewer Fund.
- The City of Statesville has no outstanding bonded debt and, therefore, has no current bond rating.

**Overview of the Financial Statements**

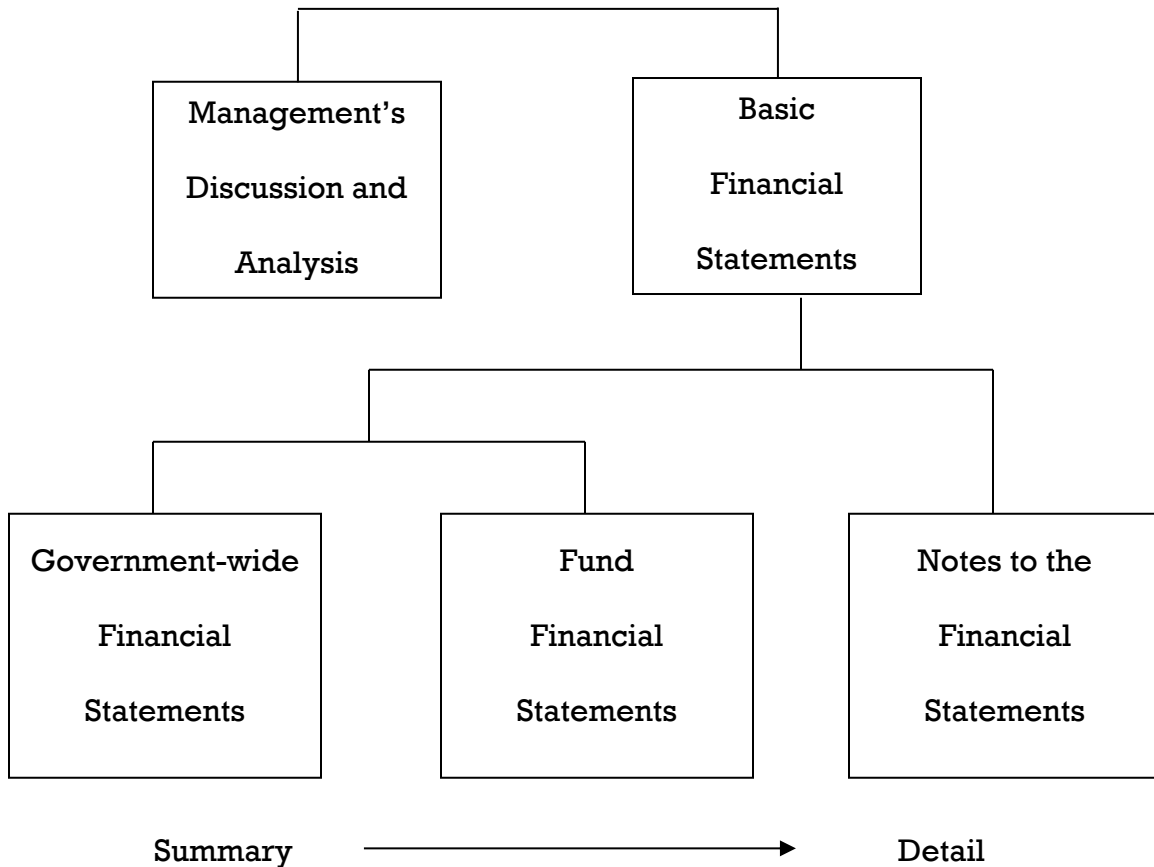
This discussion and analysis are intended to serve as an introduction to the City of Statesville's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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**Required Components of Annual Financial Reports**

**Figure 1**



**Basic Financial Statements**

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

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and are located after Exhibit 8 in the basic financial statements.

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

**City of Statesville's Net Position**  
**Figure 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 44,649,521	\$ 37,223,579	\$ 78,294,795	\$ 72,609,679	\$ 122,944,316	\$ 109,833,258
Capital assets	45,136,128	46,321,100	150,267,605	141,584,766	195,403,733	187,905,866
<b>Total assets</b>	<b>89,785,649</b>	<b>83,544,679</b>	<b>228,562,400</b>	<b>214,194,445</b>	<b>318,348,049</b>	<b>297,739,124</b>
Deferred outflows of resources	5,893,832	4,202,242	1,478,117	1,174,248	7,371,949	5,376,490
Current liabilities	4,106,174	4,143,326	10,210,714	10,020,557	14,316,888	14,163,883
Long-term liabilities	14,735,509	12,193,649	26,872,279	29,294,192	41,607,788	41,487,841
<b>Total liabilities</b>	<b>18,841,683</b>	<b>16,336,975</b>	<b>37,082,993</b>	<b>39,314,749</b>	<b>55,924,676</b>	<b>55,651,724</b>
Deferred inflows of resources	1,099,175	636,819	325,807	185,363	1,424,982	822,182
<b>Net Position:</b>						
Net investment in capital assets	44,053,530	44,371,100	129,328,066	118,458,550	173,381,596	162,829,650
Restricted	8,481,374	6,273,851	-	-	8,481,374	6,273,851
Unrestricted	23,203,719	20,128,176	63,303,651	57,410,031	86,507,370	77,538,207
<b>Total net position</b>	<b>\$ 75,738,623</b>	<b>\$ 70,773,127</b>	<b>\$ 192,631,717</b>	<b>\$ 175,868,581</b>	<b>\$ 268,370,340</b>	<b>\$ 246,641,708</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Statesville exceeded liabilities and deferred inflows by \$268,370,340 as of June 30, 2021. The City's net position increased by \$21,728,632 for the fiscal year ended June 30, 2021. However, the largest portion of net position \$173,381,596 (64.61%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items and restricted assets. The City of Statesville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Statesville's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Statesville's net position \$8,481,374 (3.16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$86,507,370 (32.23%) is unrestricted.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

**City of Statesville Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES:</b>						
<i>Program Revenues</i>						
Charges for services	\$ 3,218,941	\$ 3,095,885	\$ 74,143,545	\$ 69,530,087	\$ 77,362,486	\$ 72,625,972
Operating grants and contributions	1,794,790	790,583	-	-	1,794,790	790,583
Capital grants and contributions	697,582	732,263	2,630,797	3,891,131	3,328,379	4,623,394
<i>General Revenues</i>						
Ad valorem taxes	18,753,923	18,090,106	-	-	18,753,923	18,090,106
Other taxes and state-shared revenues	11,952,574	10,513,324	-	-	11,952,574	10,513,324
Investment earnings	(19,259)	386,117	(9,459)	748,424	(28,718)	1,134,541
Miscellaneous revenues	1,254,166	529,825	-	-	1,254,166	529,825
<b>Total revenues</b>	<b>37,652,717</b>	<b>34,138,103</b>	<b>76,764,883</b>	<b>74,169,642</b>	<b>114,417,600</b>	<b>108,307,745</b>
<b>EXPENSES:</b>						
General Government	4,278,317	4,220,031	-	-	4,278,317	4,220,031
Public Safety	18,258,094	17,029,794	-	-	18,258,094	17,029,794
Transportation	2,984,827	2,733,505	-	-	2,984,827	2,733,505
Economic and Physical Development	585,090	264,074	-	-	585,090	264,074
Environmental Protection	2,254,359	2,083,415	-	-	2,254,359	2,083,415
Cultural and Recreation	4,165,631	3,989,425	-	-	4,165,631	3,989,425
Interest on long-term debt	41,115	82,483	-	-	41,115	82,483
Airport	-	-	3,059,359	3,110,809	3,059,359	3,110,809
Electric	-	-	41,959,860	41,112,400	41,959,860	41,112,400
Water/Sewer	-	-	12,945,434	12,829,316	12,945,434	12,829,316
Stormwater	-	-	1,345,901	857,177	1,345,901	857,177
Civic Center	-	-	810,981	1,288,350	810,981	1,288,350
<b>Total expenses</b>	<b>32,567,433</b>	<b>30,402,727</b>	<b>60,121,535</b>	<b>59,198,052</b>	<b>92,688,968</b>	<b>89,600,779</b>
<b>Change in net position before transfers and special items</b>	<b>5,085,284</b>	<b>3,735,376</b>	<b>16,643,348</b>	<b>14,971,590</b>	<b>21,728,632</b>	<b>18,706,966</b>
Transfers in (out)	(119,788)	(1,277,293)	119,788	1,277,293	-	-
<b>Change in net position</b>	<b>4,965,496</b>	<b>2,458,083</b>	<b>16,763,136</b>	<b>16,248,883</b>	<b>21,728,632</b>	<b>18,706,966</b>
<b>Net position, beginning</b>	<b>70,773,127</b>	<b>68,315,044</b>	<b>175,868,581</b>	<b>159,619,698</b>	<b>246,641,708</b>	<b>227,934,742</b>
<b>Net position, ending</b>	<b>\$ 75,738,623</b>	<b>\$ 70,773,127</b>	<b>\$ 192,631,717</b>	<b>\$ 175,868,581</b>	<b>\$ 268,370,340</b>	<b>\$ 246,641,708</b>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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**Governmental Activities** – The City's total net position from Governmental Activities increased by \$4,965,496.

- Revenues from Ad Valorem Taxes, the City's main source of Govt. Activity revenue, increased by \$663,817, or 3.67%, from the prior year due to growth in the City's tax base.
- Revenues from all Govt. Activities increased by \$3,514,614, while expenses increased by \$2,164,706.
- Transfers Out totaled \$119,788.

**Business-Type Activities** – The City's total net position from Business-Type Activities increased by \$16,763,136.

- Revenues for business-type activities from charges for services increased by \$4,613,458, or 6.64%, which resulted in the largest increase in revenues for business-type activities. However, other Business-Type Revenues from grants and investment earnings decreased by \$1,768,217 or 38.11%.
- Expenses for business-type activities increased by \$923,483, or 1.56%.
- Transfers In totaled \$119,788.

### **Financial Analysis of the City's Funds**

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

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

At June 30, 2021, the governmental funds of the City of Statesville reported a combined fund balance of \$37,618,247; an increase of 19.05% from last fiscal year.

The General Fund is the chief operating fund of the City of Statesville. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$23,189,923 while total fund balance was \$32,288,395; an increase of \$7,486,255 from prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 65.16% of total General Fund expenditures including any transfers out other funds. Total fund balance represents 90.72% of total General Fund expenditures including any transfers out other funds.

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

- General Fund revenues exceeded expenditures by \$1,209,248 before any transfers.
- Ad valorem tax revenues of \$18,820,501 exceeded budget estimates by \$839,501
- Unrestricted intergovt. revenues of \$11,899,771 exceeded budget estimates by \$3,465,921
- Expenditures were \$5,595,539 lower than budget appropriation.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

**Proprietary Funds** – The City of Statesville's proprietary fund statements provide additional information than found in the government-wide statements. For the fiscal year, the net position improved for all proprietary funds. At the end of the fiscal year, the unrestricted net position for the Airport Fund is \$(2,933,781); Electric Fund is \$48,774,522; the Water and Sewer Fund is \$14,834,545; the Civic Center Fund is \$1,995,104; and the Stormwater Fund is \$1,429,311.

## Capital Asset and Debt Administration

**Capital Assets** – The City of Statesville's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$195,403,733 (net of accumulated depreciation). These assets include buildings, utility systems infrastructure, land, roads, machinery and equipment, park facilities, and vehicles.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 10,416,940	\$ 11,331,022	\$ 16,562,818	\$ 16,387,319	\$ 26,979,758	\$ 27,718,341
Buildings & other imp.	25,646,800	26,732,230	20,269,033	21,365,607	45,915,833	48,097,837
Utility plant in service	-	-	85,499,586	85,205,822	85,499,586	85,205,822
Vehicles	7,047,188	6,546,145	5,380,555	4,828,763	12,427,743	11,374,908
Construction in progress	2,025,200	1,711,703	22,555,613	13,797,255	24,580,813	15,508,958
Total	<u>\$ 45,136,128</u>	<u>\$ 46,321,100</u>	<u>\$ 150,267,605</u>	<u>\$ 141,584,766</u>	<u>\$ 195,403,733</u>	<u>\$ 187,905,866</u>

Figure 4 is net of accumulated depreciation. Additional information on the City's capital assets can be found in the financial notes on pages 37-40.

**Long-Term Debt** – As of June 30, 2021, the City of Statesville had no general obligation bonded debt outstanding. The City's debt represents notes payable totaling \$27,016,288, compensated absences for \$3,342,111 and actuary estimates for public employee pensions (LGERS) of \$10,412,251, other benefits (OPEB) of \$1,207,781, and law enforcement separation supplemental retirement (LEOSSA) of \$3,605,212. Actuary estimates are subject to change whereas the notes payable and compensated absences are known City obligations.



**CITY OF STATESVILLE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

**City of Statesville's Outstanding Debt**  
**Figure 5**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Notes payable from direct borrowings or placements	\$ 1,082,598	\$ 1,950,000	\$ 25,933,690	\$ 23,126,216	\$ 27,016,288	\$ 25,076,216
Compensated absences	2,507,709	2,380,228	834,402	831,950	3,342,111	3,212,178
OPEB and other benefit debt	905,834	1,318,791	301,947	417,437	1,207,781	1,736,228
LGERS pension related debt	7,804,486	5,890,404	2,607,765	1,969,737	10,412,251	7,860,141
LEOSSA pension related debt	3,605,212	2,468,072	-	-	3,605,212	2,468,072
Total	<u>\$ 15,905,839</u>	<u>\$ 14,007,495</u>	<u>\$ 29,677,804</u>	<u>\$ 26,345,340</u>	<u>\$ 45,583,643</u>	<u>\$ 40,352,835</u>

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Statesville as of June 30, 2021 is \$244,679,000. As stated earlier, the City of Statesville does not have any outstanding bonded debt being supported by property taxes. Additional information on the City's long-term debt obligations can be found in the financial notes on pages 56-60.

*Economic Factors and Next Year's Budget and Rates*

- Due to the ongoing COVID-19 pandemic and economic impacts, revenue estimates contained in the City of Statesville's 2021-2022 operating and capital budget continued on a conservative basis except for an estimated sales tax increase.
- The City did not increase its tax rate.
- Water and sewer rates were increased by 20% effective July 1, 2021 to provide for operations, capital and debt service obligations in the coming years due to major expansion projects at the City's sewer plants.
- The City expects to receive over \$8,000,000 through the American Rescue Plans.

**Request for Information** - This report is designed to provide an accurate and transparent overview of the City's finances for any stakeholder with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

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

(704) 878-3593

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## ***BASIC FINANCIAL STATEMENTS***

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Convention & Visitors Bureau	Alcoholic Control Board
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 37,765,807	\$ 59,488,309	\$ 97,254,116	\$ 332,400	\$ 1,095,320
Tax receivables, net	42,390	-	42,390	-	-
Receivables, net	602,749	10,281,698	10,884,447	-	-
Internal balances	796,050	(796,050)	-	-	-
Due from other governments	4,445,009	689,592	5,134,601	-	-
Due from other component units	229,485	-	229,485	-	-
Inventories	17,331	2,187,498	2,204,829	-	886,075
Prepaid items	10,581	-	10,581	-	-
Restricted cash and cash equivalents	740,119	6,443,748	7,183,867	-	-
Total current assets	44,649,521	78,294,795	122,944,316	332,400	1,981,395
<b>Non-current assets:</b>					
Capital assets:					
Land and other non-depreciable assets	12,442,140	39,118,431	51,560,571	-	235,050
Depreciable assets, net	32,693,988	111,149,174	143,843,162	-	1,059,673
Total capital assets	45,136,128	150,267,605	195,403,733	-	1,294,723
Total assets	89,785,649	228,562,400	318,348,049	332,400	3,276,118
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	5,646,058	1,395,525	7,041,583	-	3,843
OPEB deferrals	247,774	82,592	330,366	-	-
Total deferred outflows of resources	5,893,832	1,478,117	7,371,949	-	3,843
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	2,894,411	5,795,986	8,690,397	-	487,552
Accrued interest payable	34,622	120,989	155,611	-	-
Due to primary government	-	-	-	-	229,485
Due to other governments	-	-	-	-	266,606
Prepaid fees	-	38,617	38,617	-	-
Liabilities payable from restricted assets - deposits	6,811	1,199,597	1,206,408	-	-
Liabilities payable from restricted assets - advance from grantors	-	250,000	250,000	-	-
Compensated absences - current	1,003,084	333,760	1,336,844	-	-
Long-term debt - current	167,246	2,471,765	2,639,011	-	48,009
Total current liabilities	4,106,174	10,210,714	14,316,888	-	1,031,652
<b>Long-term liabilities:</b>					
Net pension liability - LGERS	7,804,486	2,607,765	10,412,251	-	111,135
Total LEO pension liability	3,605,212	-	3,605,212	-	-
Total OPEB liability	905,834	301,947	1,207,781	-	-
Compensated absences - non-current	1,504,625	500,642	2,005,267	-	-
Long-term debt - non-current	915,352	23,461,925	24,377,277	-	525,177
Total long-term liabilities	14,735,509	26,872,279	41,607,788	-	636,312
Total liabilities	18,841,683	37,082,993	55,924,676	-	1,667,964
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Prepaid taxes	66,212	-	66,212	-	-
Pension deferrals	102,911	15,790	118,701	-	(25,665)
OPEB deferrals	930,052	310,017	1,240,069	-	-
Total deferred inflows of resources	1,099,175	325,807	1,424,982	-	(25,665)
<b>NET POSITION</b>					
Net investment in capital assets	44,053,530	129,328,066	173,381,596	-	765,502
Restricted for:					
Stabilization by state statute	7,153,193	-	7,153,193	-	-
Transportation	733,308	-	733,308	-	-
Public safety	288,828	-	288,828	-	-
Economic development	306,045	-	306,045	332,400	-
Minimum working capital	-	-	-	-	252,765
Unrestricted	23,203,719	63,303,651	86,507,370	-	619,395
Total net position	\$ 75,738,623	\$ 192,631,717	\$ 268,370,340	\$ 332,400	\$ 1,637,662

The accompanying notes are an integral part of this statement.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 4,278,317	\$ 68,667	\$ 55,495	\$ -
Public safety	18,258,094	488,927	1,419,814	-
Transportation	2,984,827	-	-	697,582
Economic and physical development	585,090	885,917	300,000	-
Environmental protection	2,254,359	1,246,153	19,481	-
Cultural and recreation	4,165,631	529,277	-	-
Debt service:				
Interest on long-term debt	41,115	-	-	-
Total governmental activities	32,567,433	3,218,941	1,794,790	697,582
Business-Type Activities:				
Airport	3,059,359	2,360,850	-	2,630,797
Electric	41,959,860	56,458,368	-	-
Water and sewer	12,945,434	13,048,058	-	-
Stormwater	1,345,901	2,187,515	-	-
Civic Center	810,981	88,754	-	-
Total business-type activities	60,121,535	74,143,545	-	2,630,797
Total primary government	\$ 92,688,968	\$ 77,362,486	\$ 1,794,790	\$ 3,328,379
Component Units:				
Convention & Visitors Bureau	\$ 52,998	\$ -	\$ 172,618	\$ -
Alcoholic Beverage Control Board	8,356,040	8,515,671	-	-
Total component units	\$ 8,409,038	\$ 8,515,671	\$ 172,618	\$ -

*The accompanying notes are an integral part of this statement.*

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Convention & Visitors Bureau	Alcoholic Beverage Control Board
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ (4,154,155)	\$ -	\$ (4,154,155)		
Public safety	(16,349,353)	-	(16,349,353)		
Transportation	(2,287,245)	-	(2,287,245)		
Economic and physical development	600,827	-	600,827		
Environmental protection	(988,725)	-	(988,725)		
Cultural and recreation	(3,636,354)	-	(3,636,354)		
Debt service:					
Interest on long-term debt	(41,115)	-	(41,115)		
Total governmental activities	(26,856,120)	-	(26,856,120)		
Business-Type Activities:					
Airport	-	1,932,288	1,932,288		
Electric	-	14,498,508	14,498,508		
Water and sewer	-	102,624	102,624		
Stormwater	-	841,614	841,614		
Civic Center	-	(722,227)	(722,227)		
Total business-type activities	-	16,652,807	16,652,807		
Total primary government	-	16,652,807	(10,203,313)		
Component Units:					
Convention & Visitors Bureau				\$ 119,620	\$ -
Alcoholic Beverage Control Board				-	159,631
Total component units				119,620	159,631
General Revenues:					
Ad valorem taxes	18,753,923	-	18,753,923	-	-
Other taxes	52,803	-	52,803	-	-
State share franchise, telecommunication video & liquor taxes	11,899,771	-	11,899,771	-	-
Interest earned on investments	(19,259)	(9,459)	(28,718)	19	3,221
Miscellaneous revenue	1,254,166	-	1,254,166	560	-
Total general revenues not including transfers	31,941,404	(9,459)	31,931,945	579	3,221
Total transfers in (out)	(119,788)	119,788	-	-	-
Total general revenues and transfers	31,821,616	110,329	31,931,945	579	3,221
<b>Change in net position</b>	4,965,496	16,763,136	21,728,632	120,199	162,852
Net position, beginning of year	70,773,127	175,868,581	246,641,708	212,201	1,474,810
Net position, end of year	\$ 75,738,623	\$ 192,631,717	\$ 268,370,340	\$ 332,400	\$ 1,637,662

The accompanying notes are an integral part of this statement.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Major	Non-Major	Total
	General	Other Governmental Funds	Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 28,615,558	\$ 5,521,766	\$ 34,137,324
Ad valorem taxes receivable, net	42,390	-	42,390
Accounts receivable, net	30,216	572,341	602,557
Due from other funds	173,469	-	173,469
Due from other governments	4,380,844	64,165	4,445,009
Due from other component units	229,485	-	229,485
Inventories	17,331	-	17,331
Prepays	9,214	-	9,214
Restricted cash and cash equivalents	740,119	-	740,119
Total assets	<u>\$ 34,238,626</u>	<u>\$ 6,158,272</u>	<u>\$ 40,396,898</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,710,457	\$ 85,758	\$ 1,796,215
Due to other funds	-	173,469	173,469
Liabilities payable from restricted assets - deposits	6,811	-	6,811
Total liabilities	<u>1,717,268</u>	<u>259,227</u>	<u>1,976,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	42,390	-	42,390
Prepaid taxes	66,212	-	66,212
Other receivables	124,361	569,193	693,554
Total deferred inflows of resources	<u>232,963</u>	<u>569,193</u>	<u>802,156</u>
<b>FUND BALANCES</b>			
Non-spendable			
Prepays	9,214	-	9,214
Inventory	17,331	-	17,331
Restricted			
Stabilization by state statute	7,085,880	67,313	7,153,193
Transportation	733,308	-	733,308
Public safety	-	288,828	288,828
Economic development	-	306,045	306,045
Committed			
Separation Allowance - law enforcement	252,739	-	252,739
Capital outlay	-	4,841,135	4,841,135
Assigned			
Subsequent year's appropriations	1,000,000	-	1,000,000
Unassigned	23,189,923	(173,469)	23,016,454
Total Fund Balances	<u>32,288,395</u>	<u>5,329,852</u>	<u>37,618,247</u>
<b>Total liabilities, deferred inflows of revenues and fund balances</b>	<u>\$ 34,238,626</u>	<u>\$ 6,158,272</u>	<u>\$ 40,396,898</u>

*The accompanying notes are an integral part of this statement.*



**CITY OF STATESVILLE, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

		Total Governmental Funds
<b>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:</b>		
Total fund balances continued from Exhibit 3		\$ 37,618,247
Capital assets used in governmental activities are not financing resources and are not reported in the funds.		
Land and other non-depreciable assets	\$ 12,442,140	
Depreciable assets, net	<u>32,693,988</u>	45,136,128
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.		
Interest payable	(34,622)	
Internal balances	1,429,011	
Deferred outflows - pensions	5,646,058	
Deferred outflows - OPEB	<u>247,774</u>	7,288,221
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in the governmental activities in the statement of net position.		1,898,885
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Deferred property taxes	42,390	
Other deferred revenues	693,554	
Deferred inflow related to pensions	(102,911)	
Deferred inflow related to OPEB	<u>(930,052)</u>	(297,019)
Long-term liabilities used governmental activities are uses and, therefore, are not reported in the funds.		
Current portion of compensated absences	(1,003,084)	
Current portion notes payable	(167,246)	
Long-term portion of compensated absences	(1,504,625)	
Total OPEB liability	(905,834)	
Long-term notes payable	(915,352)	
Net pension liability - LGERS	(7,804,486)	
Total pension liability - LEOSA	<u>(3,605,212)</u>	(15,905,839)
Net position of governmental activities (Exhibit 1)		<u><u>\$ 75,738,623</u></u>

**The accompanying notes are an integral part of this statement.**

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Major	Non-Major	Total
	General	Other Governmental Funds	Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 18,820,501	\$ -	\$ 18,820,501
Other taxes and licenses	52,803	885,917	938,720
Unrestricted intergovernmental	11,899,771	-	11,899,771
Restricted intergovernmental	2,333,827	158,545	2,492,372
Permits and fees	152,360	-	152,360
Sales and services	2,180,666	-	2,180,666
Investment earnings	(15,481)	(4,908)	(20,389)
Miscellaneous	1,113,728	26,320	1,140,048
	<u>36,538,175</u>	<u>1,065,874</u>	<u>37,604,049</u>
<b>EXPENDITURES</b>			
Current:			
General government	7,397,835	17,071	7,414,906
Public safety	18,444,171	93,992	18,538,163
Transportation	2,069,609	165,994	2,235,603
Economic and physical development	404,608	180,482	585,090
Environmental protection	2,267,456	-	2,267,456
Cultural and recreation	3,830,243	-	3,830,243
Debt service:			
Principal	867,402	-	867,402
Interest and fiscal costs	47,603	-	47,603
	<u>35,328,927</u>	<u>457,539</u>	<u>35,786,466</u>
Revenues over (under) expenditures	<u>1,209,248</u>	<u>608,335</u>	<u>1,817,583</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	6,539,421	262,414	6,801,835
Transfers to other funds	(262,414)	(2,337,324)	(2,599,738)
	<u>6,277,007</u>	<u>(2,074,910)</u>	<u>4,202,097</u>
Net change in fund balances	7,486,255	(1,466,575)	6,019,680
Fund balances at beginning of year	24,802,140	6,796,427	31,598,567
Fund balances at end of year	<u>\$ 32,288,395</u>	<u>\$ 5,329,852</u>	<u>\$ 37,618,247</u>

*The accompanying notes are an integral part of this statement.*

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Total Governmental Funds
<b>Total net change in fund balances-governmental funds (continued)</b>	<b>\$ 6,019,680</b>

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

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

Capital outlay	\$ 2,768,338	
Loss on disposal of asset	(914,082)	
Depreciation expense	(3,039,228)	(1,184,972)

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

Change in deferred revenue for tax revenues	(66,578)	
Change in other receivables	114,118	
Pension expense - LGERS	(1,092,725)	
Pension expense - LEOSSA	(280,066)	
Other post-employment benefits	28,016	(1,297,235)

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

Principal redemption	867,402	
Decreases in accrued interest payable	6,485	873,887

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

Compensated absences	(127,481)	(127,481)
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Net income of internal service funds determined to be governmental-type	681,617
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<b>Changes in net position of governmental activities (Exhibit 2)</b>	<b>\$ 4,965,496</b>
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*The accompanying notes are an integral part of this statement.*

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over/Under
<b>REVENUES</b>				
Ad valorem taxes	\$ 17,981,000	\$ 17,981,000	\$ 18,820,501	\$ 839,501
Other taxes and licenses	27,500	27,500	52,803	25,303
Unrestricted intergovernmental	8,433,850	8,433,850	11,899,771	3,465,921
Restricted intergovernmental	910,000	2,668,143	2,333,827	(334,316)
Permits and fees	111,350	111,350	152,360	41,010
Sales and services	1,750,100	1,750,100	2,180,666	430,566
Investment earnings	175,000	175,000	(15,481)	(190,481)
Miscellaneous	55,000	136,175	1,113,728	977,553
Total revenues	29,443,800	31,283,118	36,538,175	5,255,057
<b>EXPENDITURES</b>				
Current:				
General government	8,858,959	9,604,664	7,397,835	2,206,829
Public safety	17,899,804	19,585,993	18,444,171	1,141,822
Transportation	2,544,857	2,670,313	2,069,609	600,704
Economic and physical development	300,000	600,000	404,608	195,392
Environmental protection	2,524,955	2,577,315	2,267,456	309,859
Cultural and recreation	4,554,725	4,970,681	3,830,243	1,140,438
Debt service:				
Principal	867,402	867,402	867,402	-
Interest and fiscal costs	48,098	48,098	47,603	495
Total expenditures	37,598,800	40,924,466	35,328,927	5,595,539
Revenues over (under) expenditures	(8,155,000)	(9,641,348)	1,209,248	10,850,596
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer - in	5,610,000	5,610,000	6,539,421	929,421
Transfer - (out)	-	(262,414)	(262,414)	-
Issuance of long term debt	1,497,000	1,497,000	-	(1,497,000)
Fund balance appropriated	1,048,000	2,796,762	-	(2,796,762)
Total other financing sources (uses)	8,155,000	9,641,348	6,277,007	(3,364,341)
Net change in fund balances	\$ -	\$ -	7,486,255	\$ 7,486,255
Fund balances at beginning of year			24,802,140	
Fund balances at end of year			\$ 32,288,395	

*The accompanying notes are an integral part of this statement.*

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service
	Airport Fund	Electric Fund	Water and Sewer Fund	Civic Center Fund	Stormwater Fund		
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 2,705,568	\$ 35,302,500	\$ 18,109,687	\$ 2,224,145	\$ 1,146,409	\$ 59,488,309	\$ 3,628,483
Accounts receivable, net - billed	49,702	4,063,396	844,185	-	122,122	5,079,405	192
Accounts receivable, net - unbilled	-	3,901,040	1,040,691	-	260,562	5,202,293	-
Due from other governments	615,950	7,656	65,986	-	-	689,592	-
Restricted cash	250,000	1,199,597	4,994,151	-	-	6,443,748	-
Interfund loan	-	594,708	-	-	-	594,708	-
Prepaid expenses	-	-	-	-	-	-	1,367
Inventories	53,679	1,913,157	220,662	-	-	2,187,498	-
Total current assets	<u>3,674,899</u>	<u>46,982,054</u>	<u>25,275,362</u>	<u>2,224,145</u>	<u>1,529,093</u>	<u>79,685,553</u>	<u>3,630,042</u>
<b>Non-current assets:</b>							
Interfund loan	-	8,089,453	-	-	-	8,089,453	-
<b>Capital assets:</b>							
Land and non-depreciable	12,055,345	156,206	1,555,255	2,796,012	-	16,562,818	-
Capital assets, net of depreciation	17,527,549	31,397,967	59,412,538	2,179,368	631,752	111,149,174	-
Construction work in progress	13,870,197	4,611,659	3,942,490	-	131,267	22,555,613	-
Total capital assets, net	<u>43,453,091</u>	<u>36,165,832</u>	<u>64,910,283</u>	<u>4,975,380</u>	<u>763,019</u>	<u>150,267,605</u>	<u>-</u>
Total assets	<u>47,127,990</u>	<u>91,237,339</u>	<u>90,185,645</u>	<u>7,199,525</u>	<u>2,292,112</u>	<u>238,042,611</u>	<u>3,630,042</u>
<b>Deferred Outflows of Resources:</b>							
Pension deferrals	29,940	493,635	766,539	103,178	2,233	1,395,525	-
OPEB deferrals	3,304	26,430	42,948	6,606	3,304	82,592	-
Total deferred outflows of resources	<u>33,244</u>	<u>520,065</u>	<u>809,487</u>	<u>109,784</u>	<u>5,537</u>	<u>1,478,117</u>	<u>-</u>
<b>LIABILITIES</b>							
<b>Current liabilities:</b>							
Accounts payable and accrued liabilities	736,593	4,143,899	854,990	24,813	35,691	5,795,986	1,098,196
Interest payable	37,065	-	83,924	-	-	120,989	-
Payable from restricted assets:							
Customer deposits	-	1,199,597	-	-	-	1,199,597	-
Advance from grantors	250,000	-	-	-	-	250,000	-
Prepaid fees	-	-	-	38,617	-	38,617	-
Interfund payable - current	273,708	-	321,000	-	-	594,708	-
Compensated absences - current	14,693	179,616	122,001	12,746	4,704	333,760	-
Long-term debt - current	-	-	2,471,765	-	-	2,471,765	-
Total current liabilities	<u>1,312,059</u>	<u>5,523,112</u>	<u>3,853,680</u>	<u>76,176</u>	<u>40,395</u>	<u>10,805,422</u>	<u>1,098,196</u>
<b>Long-term liabilities:</b>							
Total LGERS liability	82,877	825,028	1,472,712	193,828	33,320	2,607,765	-
Total OPEB liability	12,078	96,623	157,012	24,156	12,078	301,947	-
Compensated absences - non-current	22,039	269,425	183,002	19,119	7,057	500,642	-
Interfund payable - non current	5,200,453	-	2,889,000	-	-	8,089,453	-
Long-term debt - non-current	-	-	23,461,925	-	-	23,461,925	-
Total long-term liabilities	<u>5,317,447</u>	<u>1,191,076</u>	<u>28,163,651</u>	<u>237,103</u>	<u>52,455</u>	<u>34,961,732</u>	<u>-</u>
Total liabilities	<u>6,629,506</u>	<u>6,714,188</u>	<u>32,017,331</u>	<u>313,279</u>	<u>92,850</u>	<u>45,767,154</u>	<u>1,098,196</u>
<b>Deferred Inflows of Resources:</b>							
OPEB deferrals	12,401	99,205	161,209	24,801	12,401	310,017	-
Pension deferrals	17	3,657	11,303	745	68	15,790	-
Total deferred inflows of resources	<u>12,418</u>	<u>102,862</u>	<u>172,512</u>	<u>25,546</u>	<u>12,469</u>	<u>325,807</u>	<u>-</u>
<b>NET POSITION</b>							
Net investment in capital assets	43,453,091	36,165,832	43,970,744	4,975,380	763,019	129,328,066	-
Unrestricted	(2,933,781)	48,774,522	14,834,545	1,995,104	1,429,311	64,099,701	2,531,846
Total net position	<u>\$ 40,519,310</u>	<u>\$ 84,940,354</u>	<u>\$ 58,805,289</u>	<u>\$ 6,970,484</u>	<u>\$ 2,192,330</u>	<u>193,427,767</u>	<u>\$ 2,531,846</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(796,050)	
Net position of business-type activities						<u>\$ 192,631,717</u>	

The accompanying notes are an integral part of this statement.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service
	Airport Fund	Electric Fund	Major Water and Sewer Fund	Civic Center Fund	Stormwater Fund		
<b>OPERATING REVENUES</b>							
Charges for sales and services	\$ 2,358,933	\$ 45,226,021	\$ 11,946,351	\$ 88,754	\$ 2,187,515	\$ 61,807,574	\$ 7,052,081
Other operating revenues	-	1,428,498	1,100,475	-	-	2,528,973	-
<b>Total operating revenues</b>	<u>2,358,933</u>	<u>46,654,519</u>	<u>13,046,826</u>	<u>88,754</u>	<u>2,187,515</u>	<u>64,336,547</u>	<u>7,052,081</u>
<b>OPERATING EXPENSES</b>							
Airport operations	1,701,330	-	-	-	-	1,701,330	-
Electrical operations	-	5,923,110	-	-	-	5,923,110	-
Electrical power purchases	-	34,525,297	-	-	-	34,525,297	-
Water and sewer operations	-	-	8,789,895	-	-	8,789,895	-
Stormwater operations	-	-	-	-	1,312,153	1,312,153	-
Civic Center operations	-	-	-	687,505	-	687,505	-
Health expenses and insurance claims	-	-	-	-	-	-	6,144,389
Depreciation	1,278,409	1,584,159	3,799,955	141,653	42,836	6,847,012	-
<b>Total operating expenses</b>	<u>2,979,739</u>	<u>42,032,566</u>	<u>12,589,850</u>	<u>829,158</u>	<u>1,354,989</u>	<u>59,786,302</u>	<u>6,144,389</u>
<b>Operating income (loss)</b>	<u>(620,806)</u>	<u>4,621,953</u>	<u>456,976</u>	<u>(740,404)</u>	<u>832,526</u>	<u>4,550,245</u>	<u>907,692</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest income	3,364	(1,129)	(9,199)	(2,300)	(195)	(9,459)	1,130
Interest expense	(88,708)	-	(473,731)	-	-	(562,439)	-
Non-operating revenues	1,917	9,803,849	1,232	-	-	9,806,998	-
<b>Total nonoperating revenues (expenses)</b>	<u>(83,427)</u>	<u>9,802,720</u>	<u>(481,698)</u>	<u>(2,300)</u>	<u>(195)</u>	<u>9,235,100</u>	<u>1,130</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(704,233)</u>	<u>14,424,673</u>	<u>(24,722)</u>	<u>(742,704)</u>	<u>832,331</u>	<u>13,785,345</u>	<u>908,822</u>
Capital contributions	2,630,797	-	-	-	-	2,630,797	-
Transfers - in	-	-	-	690,471	-	690,471	-
Transfers - (out)	(43,800)	(135,245)	(364,184)	(27,454)	-	(570,683)	-
<b>Total capital contributions and transfers</b>	<u>2,586,997</u>	<u>(135,245)</u>	<u>(364,184)</u>	<u>663,017</u>	<u>-</u>	<u>2,750,585</u>	<u>-</u>
<b>Change in net position (loss)</b>	<u>1,882,764</u>	<u>14,289,428</u>	<u>(388,906)</u>	<u>(79,687)</u>	<u>832,331</u>	<u>16,535,930</u>	<u>908,822</u>
<b>Net position, beginning of year (deficit)</b>	<u>38,636,546</u>	<u>70,650,926</u>	<u>59,194,195</u>	<u>7,050,171</u>	<u>1,359,999</u>	<u>176,891,837</u>	<u>1,623,024</u>
<b>Net position, end of year</b>	<u>\$ 40,519,310</u>	<u>\$ 84,940,354</u>	<u>\$ 58,805,289</u>	<u>\$ 6,970,484</u>	<u>\$ 2,192,330</u>	<u>\$ 193,427,767</u>	<u>\$ 2,531,846</u>
Change of net position shown above						\$ 16,535,930	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds						227,206	
Change in net position - business-type activities						<u>\$ 16,763,136</u>	

The accompanying notes are an integral part of this statement.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Enterprise Funds					Total Enterprise Funds	Internal Service Funds
	Airport Fund	Electric Fund	Water and Sewer Fund	Civic Center Fund	Stormwater Fund		
Cash flows from operating activities:							
Cash received from customers	\$ 2,315,955	\$ 46,071,560	\$ 13,041,487	\$ 88,754	\$ 2,084,668	\$ 63,602,424	\$ 7,059,864
Cash paid for goods and services	(1,075,979)	(40,181,897)	(5,466,473)	(515,667)	(1,006,707)	(48,246,723)	(5,873,759)
Cash paid to employees for services	(436,924)	(3,234,173)	(3,474,027)	(404,575)	(262,417)	(7,812,116)	-
Net cash provided (used) by operating activities	803,052	2,655,490	4,100,987	(831,488)	815,544	7,543,585	1,186,105
Cash flows from noncapital financing activities:							
Transfers from other funds	-	-	-	690,471	-	690,471	-
Transfers to other funds	(43,800)	(135,245)	(364,184)	(27,454)	-	(570,683)	-
Net cash provided (used) by noncapital financing activities	(43,800)	(135,245)	(364,184)	663,017	-	119,788	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(2,781,014)	(8,168,288)	(3,914,719)	(70,113)	(595,717)	(15,529,851)	-
Interfund Loan	-	-	3,210,000	-	-	3,210,000	-
Principal paid on long-term debt	-	-	(2,192,526)	-	-	(2,192,526)	-
Interest paid on long-term debt	(88,708)	-	(473,731)	-	-	(562,439)	-
Long-term debt proceeds	-	-	5,000,000	-	-	5,000,000	-
Miscellaneous	-	9,803,849	1,232	-	-	9,805,081	-
Capital contributions	4,055,262	-	-	-	-	4,055,262	-
Net cash provided (used) by capital and related financing activities	1,185,540	1,635,561	1,630,256	(70,113)	(595,717)	3,785,527	-
Cash flows from investing activities:	4,647	55,433	22,088	143	1,439	83,750	1,130
Net increase (decrease) in cash and cash equivalents	1,949,439	4,211,239	5,389,147	(238,441)	221,266	11,532,650	1,187,235
Cash and cash equivalents, July 1	1,006,129	32,290,858	17,714,691	2,462,586	925,143	54,399,407	2,441,248
Cash and cash equivalents, June 30	<u>\$ 2,955,568</u>	<u>\$ 36,502,097</u>	<u>\$ 23,103,838</u>	<u>\$ 2,224,145</u>	<u>\$ 1,146,409</u>	<u>\$ 65,932,057</u>	<u>\$ 3,628,483</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>							
Operating income (loss)	<u>\$ (620,806)</u>	<u>\$ 4,621,953</u>	<u>\$ 456,976</u>	<u>\$ (740,404)</u>	<u>\$ 832,526</u>	<u>\$ 4,550,245</u>	<u>\$ 907,692</u>
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	1,278,409	1,584,159	3,799,955	141,653	42,836	6,847,012	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(43,604)	(3,790,700)	(5,339)	-	(102,848)	(3,942,491)	7,783
Decrease (increase) in inventory	(19,847)	151,059	1,460	-	-	132,672	-
Increase (decrease) in accounts payable	186,206	(17,407)	(252,635)	(260,654)	6,689	(337,801)	243,679
(Increase) decrease from/to other governments	-	-	(65,986)	-	-	(65,986)	-
(Decrease) in customer deposits	-	(2,259)	-	-	-	(2,259)	-
Increase in deferred outflows of resources - pensions	(10,637)	(85,092)	(138,275)	(21,273)	(10,637)	(265,914)	-
Increase in net pension liability	25,521	204,169	331,774	51,042	25,521	638,027	-
Increase (decrease) in deferred inflows of resources - pensions	315	(2,519)	(4,093)	(630)	(315)	(7,242)	-
Increase (decrease) in compensated absences	8,365	(913)	(11,540)	517	6,022	2,451	-
Increase (decrease) in deferred inflows of resources - OPEB	5,933	47,461	77,124	11,865	5,933	148,316	-
(Decrease) in total OPEB liability	(5,284)	(42,275)	(68,698)	(10,569)	11,336	(115,490)	-
(Decrease) in OPEB deferred outflow	(1,519)	(12,146)	(19,736)	(3,035)	(1,519)	(37,955)	-
Decrease in IBNR - health	-	-	-	-	-	-	20,890
Decrease in IBNR - worker's compensation	-	-	-	-	-	-	6,061
Total adjustments	1,423,858	(1,966,463)	3,644,011	(91,084)	(16,982)	2,993,340	278,413
Net cash provided (used) by operating activities	<u>\$ 803,052</u>	<u>\$ 2,655,490</u>	<u>\$ 4,100,987</u>	<u>\$ (831,488)</u>	<u>\$ 815,544</u>	<u>\$ 7,543,585</u>	<u>\$ 1,186,105</u>

The accompanying notes are an integral part of this statement.

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

***Discretely Presented Component Units***

***City of Statesville Alcoholic Beverage Control Board***

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

***Statesville Convention and Visitors Bureau***

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**B. Basis of Presentation**

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

*Fund Financial Statements:* The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The City has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The City reports the following major governmental fund:

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

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

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

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

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

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

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

The City reports the following fund types:

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

### **C. Measurement Focus and Basis of Accounting**

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

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

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**D. Budgetary Data**

The City's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, Occupancy Tax Fund, and enterprise funds. All annual appropriations lapse at fiscal yearend. Project ordinances are adopted for all other special revenue funds, the capital projects funds and the enterprise capital projects funds. The City's Risk Management Fund, internal service fund, operates under a financial plan that was adopted by the City Council at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for multi-year funds.

Expenditures may not legally exceed budgeted appropriations at the departmental level for all annually budgeted funds, funding source level for multi-year capital project funds, and fund level for enterprise capital project funds. However, in the related ordinance, the City Council authorizes the City Manager to approve transfers between departments of the same fund with an official written notification to the City Council. Department directors may request unlimited transfers of appropriations within their department with the concurrence of the City Manager and without governing board notification. Any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budgets were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

**Deposits and Investments**

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

State law G.S. §159-30(c) authorizes the City, the ABC Board, and the CVB to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances and the North Carolina Capital Management Trust (NCCMT). The City's, and the ABC Board's, and the CVB's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT - Governmental Portfolio, an SEC-registered (2a-7) money market fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2021*

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**Cash and Cash Equivalents**

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

**Restricted Assets**

Unexpended debt proceeds are presented as restricted cash as their use is completely restricted to the purposes for which the funds were received or designated for by an outside third party. Currently the Water and Sewer Fund has \$4,994,151 in unexpended debt proceeds. 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 amount to \$733,308 held in the General Fund. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Currently, the City presents as restricted assets the utility deposits of \$1,199,597 held by the Electric Fund, Planning Department deposits of \$6,811 in the General Fund. Advance from grantors is presented as restricted cash as their use is restricted to the purposes for which the grant funds were received or designated for by an outside third party. The Airport fund currently has \$250,000 as advance from grantors.

**Ad Valorem Taxes Receivable**

In accordance with state law G.S. §105-347 and G.S. §159-13(a), the City levies and creates a lien for ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. These taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. The taxes levied are based on the assessed values as of January 1, 2020.

**Allowance for Doubtful Accounts**

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

**Inventory and Prepaid Items**

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

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2021*

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

**Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of one year. Minimum capitalization costs are as follows: buildings, improvements, substations, lines, and other plant and distribution systems, \$25,000; infrastructure, \$100,000; furniture, equipment, and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and sidewalk sub-network assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Statesville Convention and Visitors Bureau had no capital assets at June 30, 2021. Capital assets are depreciated using the straight-line method over the following estimated useful lives for City assets:

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

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

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

**Deferred Outflows/Inflows of Resources**

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category - prepaid taxes, OPEB deferrals and pension deferrals.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt. In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

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

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

**Net Position/Fund Balances**

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



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**Fund Balances**

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

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

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

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

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

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

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

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

**Committed Fund Balance** – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Statesville's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The City Council currently has committed \$252,739 for the

**CITY OF STATESVILLE, NORTH CAROLINA**  
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funding of the Law Enforcement Officers' Special Separation Allowance pension. The City Council also has committed \$4,841,135 for the funding of capital outlay within various capital projects.

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

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

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

**Defined Benefit Cost-Sharing plans (Pensions)**

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

**II. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**Deposits**

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

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Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the ABC Board, CVB or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City, the ABC Board, and CVB under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows.

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

At June 30, 2021, the City's deposits had a carrying amount of \$58,377,111 and a bank balances of \$58,391,930. The City maintained \$3,675 in petty cash and other funds. Of the bank balance, \$622,431 was covered by federal depository insurance, and the excess funds was covered by collateral held under the Pooling Method.

At June 30, 2021, the Statesville Convention and Visitors Bureau's deposits had a carrying amount of \$234,106 and a bank balance of \$235,846 all of which was covered by federal depository insurance. The Statesville Convention and Visitors Bureau maintained an investment with the NCCMT governmental fund of \$98,294 (see investment note).

At June 30, 2021, the ABC Board's deposits had a carrying amount of \$1,095,320 and a bank balance of \$1,035,420. Of the bank balance, \$250,000 was covered by federal depository insurance. Amounts in excess of FDIC insurance are collateralized under the Pooling Method.

At June 30, 2021 the City had \$46,057,197 with NCCMT Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and AAAMf by Moody's Investors Service.

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

*Level of Fair Value Hierarchy:* Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

*Interest Rate Risk.* To reduce interest rate risk, the investments shall be diversified by (1) investing in securities in varying maturities and (2) continuously investing a portion of the portfolio in readily available funds such as a mutual fund for local government investment certified by the Local Government Commission pursuant to G.S. §159-30(c)(8), currently the North Carolina Capital Management Trust. The City's governing board enacted a formal investment policy that provides for diversification and minimizes credit risks by varying the investment's maturity dates.

**CITY OF STATESVILLE, NORTH CAROLINA**  
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*Credit Risk.* To reduce credit risk, the City's adopted investment policy provides that investment shall be diversified by (1) limiting investments to avoid over-concentration in securities from a specific issuer or business sector, excluding U.S. Treasury securities, and (2) Limiting investment in securities that have higher credit risks. The City's and CVB's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2021.

As of June 30, 2021, the City's investment balances were as follows:

<b>Investment Type</b>	<b>Valuation Measurement Method</b>	<b>Fair Value</b>	<b>Less 6 Months</b>	<b>6-12 Months</b>
NCCMT Government Portfolio	Fair Value Level 1	46,057,197	46,057,197	-
Total		<u>\$ 46,057,197</u>	<u>\$ 46,057,197</u>	<u>\$ -</u>

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**Receivables - Allowances for Doubtful Accounts**

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

	Accounts Receivable	Taxes Receivable	Due from Other Governments	Total
Governmental activities:				
General Fund	\$ 30,216	\$ 503,627	\$ 4,380,844	\$ 4,914,687
Non-major funds/internal service	572,533	-	64,165	636,698
Total receivables	602,749	503,627	4,445,009	5,551,385
Allowance for doubtful accounts	-	(461,237)	-	(461,237)
Total governmental activities	<u>\$ 602,749</u>	<u>\$ 42,390</u>	<u>\$ 4,445,009</u>	<u>\$ 5,090,148</u>
Business-type activities:				
Airport	\$ 119,010	\$ -	\$ 615,950	\$ 734,960
Electric	8,599,462	-	7,656	8,607,118
Water and Sewer	2,194,648	-	65,986	2,260,634
Stormwater	505,794	-	-	505,794
Total receivables	11,418,914	-	689,592	12,108,506
Allowance for doubtful accounts	(1,137,216)	-	-	(1,137,216)
Total business-type activities:	<u>\$ 10,281,698</u>	<u>\$ -</u>	<u>\$ 689,592</u>	<u>\$ 10,971,290</u>

Amounts due from governmental agencies consist of the following:

	Other Govt	State	Total
Governmental activities, net:			
Sales tax refund and use tax distribution	\$ -	\$ 3,396,672	\$ 3,396,672
Utility tax, telecommunications, video programming	-	575,209	575,209
Grants receivable	-	259,912	259,912
Other government	213,216	-	213,216
Total governmental activities	<u>\$ 213,216</u>	<u>\$ 4,231,793</u>	<u>\$ 4,445,009</u>
Business-type activities:			
Grants receivable	\$ -	\$ 689,592	\$ 689,592
Total business-type activities:	<u>\$ -</u>	<u>\$ 689,592</u>	<u>\$ 689,592</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
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**Capital Assets**

**Primary Government**

	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 11,331,022	\$ -	\$ 914,082	\$ -	\$ 10,416,940
Construction in progress	1,711,703	313,497	-	-	2,025,200
Total capital assets not being depreciated	13,042,725	313,497	914,082	-	12,442,140
Capital assets being depreciated:					
Buildings	20,093,913	-	-	-	20,093,913
Communications and computers	1,819,129	-	461,727	-	1,357,402
Infrastructure and other improvements	48,729,304	878,981	373,017	-	49,235,268
Vehicles	16,969,053	1,575,860	669,620	13,900	17,889,193
Total capital assets being depreciated:	87,611,399	2,454,841	1,504,364	13,900	88,575,776
Less accumulated depreciation for:					
Buildings	9,440,587	515,811	-	-	9,956,398
Computers and office equipment	1,184,675	90,943	461,727	-	813,891
Infrastructure and other improvements	33,284,854	1,357,657	373,017	-	34,269,494
Vehicles	10,422,908	1,074,817	669,620	13,900	10,842,005
Total accumulated depreciation	54,333,024	\$ 3,039,228	\$ 1,504,364	\$ 13,900	55,881,788
Total capital assets being depreciated, net	33,278,375				32,693,988
Governmental activity capital assets, net	\$ 46,321,100				\$ 45,136,128

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

**Governmental Functions:**

General government	\$ 249,884
Public safety	956,844
Transportation	1,038,882
Environmental protection	333,316
Culture and recreation	460,302

Total depreciation expense governmental functions \$ 3,039,228

**CITY OF STATESVILLE, NORTH CAROLINA**  
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	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
<b>Airport</b>					
Capital assets not being depreciated:					
Land	\$ 12,055,345	\$ -	\$ -	\$ -	\$ 12,055,345
Construction in progress	11,166,308	2,703,889	-	-	13,870,197
Total capital assets not being depreciated	23,221,653	2,703,889	-	-	25,925,542
Capital assets being depreciated:					
Buildings	7,266,429	37,965	-	-	7,304,394
Airport improvements	23,881,555	-	-	-	23,881,555
Other	1,133,850	39,160	13,100	-	1,159,910
Vehicles and equipment	34,038	-	-	-	34,038
Total capital assets being depreciated:	32,315,872	77,125	13,100	-	32,379,897
Less accumulated depreciation for:					
Buildings	1,820,294	356,598	-	-	2,176,892
Airport improvements and equipment	10,911,394	868,883	-	-	11,780,277
Other	831,020	51,079	13,100	-	868,999
Vehicles	24,331	1,849	-	-	26,180
Total accumulated depreciation	13,587,039	\$ 1,278,409	\$ 13,100	\$ -	14,852,348
Total capital assets being depreciated, net	18,728,833				17,527,549
Total Airport Fund capital assets, net	41,950,486				43,453,091
<b>Electric Fund:</b>					
Capital assets not being depreciated:					
Land	23,750	\$ 132,456	\$ -	\$ -	156,206
Construction work in progress	1,873,154	2,738,505	-	-	4,611,659
Total capital assets not being depreciated	1,896,904	2,870,961	-	-	4,767,865
Capital assets being depreciated:					
Buildings	323,455	-	-	-	323,455
Plant in service	46,179,770	4,905,010	1,098,777	-	49,986,003
Vehicles and equipment	5,641,174	392,317	21,814	-	6,011,677
Total capital assets being depreciated	52,144,399	5,297,327	1,120,591	-	56,321,135
Less accumulated depreciation for:					
Buildings	6,469	12,938	-	-	19,407
Plant in service	21,559,794	1,150,225	1,098,777	-	21,611,242
Vehicles and equipment	2,893,337	420,996	21,814	-	3,292,519
Total accumulated depreciation	24,459,600	\$ 1,584,159	\$ 1,120,591	\$ -	24,923,168
Total capital assets being depreciated, net	27,684,799				31,397,967
Total Electric Fund capital assets, net	29,581,703				36,165,832

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
<b>Water and Sewer Fund:</b>					
Capital assets not being depreciated:					
Land	1,512,212	\$ 43,043	\$ -	\$ -	1,555,255
Construction work in progress	712,438	3,230,052	-	-	3,942,490
Total capital assets not being depreciated	2,224,650	3,273,095	-	-	5,497,745
Capital assets being depreciated:					
Plant in service - Water System	49,308,266	-	-	-	49,308,266
Plant in service - Sewer System	71,957,686	-	-	-	71,957,686
Vehicles and equipment	5,607,712	641,624	42,035	(203,308)	6,003,993
Total capital assets being depreciated	126,873,664	641,624	42,035	(203,308)	127,269,945
Less accumulated depreciation for:					
Plant in service - Water System	28,121,767	1,078,299	-	-	29,200,066
Plant in service - Sewer System	32,558,339	2,382,722	-	-	34,941,061
Vehicles and equipment	3,622,689	338,934	42,035	(203,308)	3,716,280
Total accumulated depreciation	64,302,795	\$ 3,799,955	\$ 42,035	\$ (203,308)	67,857,407
Total capital assets being depreciated, net	62,570,869				59,412,538
Total Water and Sewer Fund capital assets, net	64,795,519				64,910,283
<b>Stormwater Fund:</b>					
Capital assets not being depreciated:					
Construction work in progress	45,355	\$ 85,912	\$ -	\$ -	131,267
Total capital assets not being depreciated	45,355	85,912	-	-	131,267
Capital assets being depreciated:					
Other	82,723	205,907	-	-	288,630
Vehicles	90,733	303,898	-	189,408	584,039
Total capital assets being depreciated:	173,456	509,805	-	189,408	872,669
Less accumulated depreciation for:					
Other	4,136	18,568	-	-	22,704
Vehicles	4,537	24,268	-	189,408	218,213
Total accumulated depreciation	8,673	\$ 42,836	\$ -	\$ 189,408	240,917
Total capital assets being depreciated, net	164,783				631,752
Total Stormwater Fund capital assets, net	210,138				763,019



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	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
<b>Civic Center Fund:</b>					
Capital assets not being depreciated:					
Land	2,796,012	\$ -	\$ -	\$ -	2,796,012
Total assets not being depreciated	2,796,012	-	-	-	2,796,012
Capital assets being depreciated:					
Buildings	4,765,318	-	-	-	4,765,318
Improvements and equipment	681,794	70,113	-	-	751,907
Vehicles	10,221	-	-	-	10,221
Total capital assets being depreciated:	5,457,333	70,113	-	-	5,527,446
Less accumulated depreciation for:					
Buildings	2,641,573	122,032	-	-	2,763,605
Improvements and equipment	554,631	19,621	-	-	574,252
Vehicles and equipment	10,221	-	-	-	10,221
Total accumulated depreciation	3,206,425	\$ 141,653	\$ -	\$ -	3,348,078
Total capital assets being depreciated, net	2,250,908				2,179,368
Total Civic Center Fund capital assets, net	5,046,920				4,975,380
Business-type activities capital assets, net	\$ 141,584,766				\$ 150,267,605

**Discretely Presented Component Units**

Activity for the ABC Board for the year ended June 30, 2021 was as follows:

	June 30, 2020	Additions	Retirements	Transfers	June 30, 2021
Capital assets not being depreciated:					
Land	\$ 235,050	\$ -	\$ -	\$ -	\$ 235,050
Total assets not being depreciated	235,050	-	-	-	235,050
Capital assets being depreciated:					
Buildings	1,579,798	22,803	-	-	1,602,601
Furniture and equipment	294,825	4,612	-	-	299,437
Total capital assets being depreciated	1,874,623	27,415	-	-	1,902,038
Less accumulated depreciation for:					
Buildings	576,863	38,899	-	-	615,762
Furniture and equipment	198,870	27,733	-	-	226,603
Total accumulated depreciation	775,733	\$ 66,632	\$ -	\$ -	842,365
Total ABC capital assets, net	\$ 1,333,940				\$ 1,294,723

**CITY OF STATESVILLE, NORTH CAROLINA**  
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*For the Fiscal Year Ended June 30, 2021*

**Construction Work in Progress:**

The City of Statesville active construction and software implementation projects as of June 30, 2021 are as follows:

<b>Project</b>	<b>Project Authorization</b>	<b>Remaining Commitment</b>
<i>General Government:</i>		
Streetscape Capital Project	\$ 9,317,133	\$ 368,372
Transportation Grant - TAP	1,670,000	1,560,744
Brookdale NC-21 Connector	2,727,500	2,309,802
Shelton Avenue Multi-Use Path	753,750	423,796
Municipal Service Center Fund	11,685,000	11,175,148
Bethlehem Road Capital Project	5,100,000	5,082,982
<i>Airport Fund:</i>		
Airport Improvement Fund	6,576,904	1,386,236
Parallel Taxiway Project	10,650,000	303,984
Glideslope and Localizer Project	850,000	372,800
SE Parallel Lighting and Electrical Vault Project	2,000,000	1,836,627
East Corporate Area Development	4,362,600	3,808,333
Runway Safety Area Extension Project	9,385,288	7,299,931
<i>Electric Fund:</i>		
Electric Utility Capital Reserve	199,500	199,500
Electric AMI Capital Project Fund	2,535,000	856,298
<i>Water and Sewer Fund:</i>		
Water and Sewer Infrastructure Capital Improvements	6,000,000	4,462,359
Water AMI Capital Project Fund	4,210,000	2,462,616

**Payables**

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

	Vendors & IBNR	Salaries & Benefits	Total
All governmental activities	\$ 1,902,350	\$ 992,061	\$ 2,894,411
<i>Business-type activities:</i>			
Airport	\$ 715,477	\$ 21,116	\$ 736,593
Electric	4,009,511	134,388	4,143,899
Water and Sewer	704,515	150,475	854,990
Stormwater	21,757	13,934	35,691
Civic Center	5,164	19,649	24,813
Total business-type activities	\$ 5,456,424	\$ 339,562	\$ 5,795,986

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**Pension Plan Obligations**

a. North Carolina Local Government Employees' Retirement System

*Plan Description.* The City of Statesville and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. LGERS provides retirement and disability benefits to plan members and beneficiaries. The CVB does not participate in LGERS. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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).

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

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

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*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Statesville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Statesville's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.22% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Statesville were \$2,157,902 for the year ended June 30, 2021.

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

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

At June 30, 2021, the City reported a liability of \$10,412,251 for its proportionate share of the net pension liability and the ABC Board reported \$111,135. 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 City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, (measurement date) the City's proportion was .29138%, which was an increase of .00356% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$3,614,871. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,314,886	\$ -
Changes of assumptions	774,876	-
Net difference between projected and actual earnings on pension plan investments	1,465,245	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	116,602	64,797
Employer contributions subsequent to the measurement date	2,157,902	-
Total	<u>\$ 5,829,511</u>	<u>\$ 64,797</u>

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\$2,157,902 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 1,033,622
2023	1,356,638
2024	782,912
2025	433,640
2026	-
Thereafter	-
Total	<u>\$ 3,606,812</u>

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Discount rate	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 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.

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These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
	<u>100%</u>	

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net pension liability	<u>\$ 21,125,318</u>	<u>\$ 10,412,251</u>	<u>\$ 1,508,935</u>

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*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 (ACFR) for the State of North Carolina.

**b. Law Enforcement Officers' Special Separation Allowance**

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

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

	<u>City</u>	<u>ABC Board</u>
Inactive members currently receiving benefits	12	0
Active plan members	67	0
Total	<u>79</u>	<u>0</u>

2) *Summary of Significant Accounting Policies:*

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

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

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

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

*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 1 year.

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

*Deaths After Retirement (Beneficiary):* Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 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 After Retirement (Disabled):* Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

*Contributions* – The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The City paid \$174,420, and the ABC Board paid \$0 as benefits came due for the reporting period.

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

At June 30, 2021, the City reported a total pension liability of \$3,605,212. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then 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 City recognized pension expense of \$450,989.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 322,296	\$ -
Changes in assumptions and other inputs	808,065	53,904
Benefit payments subsequent to the measurement date	81,711	-
Total	<u>\$ 1,212,072</u>	<u>\$ 53,904</u>



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\$81,711 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 254,732
2023	258,828
2024	212,093
2025	215,556
2026	135,248
Thereafter	-
Total	<u>\$ 1,076,457</u>

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

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	<u>\$ 3,910,569</u>	<u>\$ 3,605,212</u>	<u>\$ 3,327,077</u>

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

	2021
Beginning balance, total pension liability	\$ 2,468,072
Changes for the year:	
Service cost at end of year	118,641
Interest	77,616
Difference between expected and actual experience	247,035
Changes in assumptions and other inputs	868,268
Benefit payments	(174,420)
Net changes	<u>1,137,140</u>
Ending balance, total pension liability	<u>\$ 3,605,212</u>

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

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The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

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

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

	LGERS	LEOSSA	Total
Pension expense	\$ 3,614,871	\$ 450,989	\$ 4,065,860
Pension liability	10,412,251	3,605,212	14,017,463
Proportionate share of the net pension liability	0.29138%	N/A	-
<b>Deferred of Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 1,314,886	\$ 322,296	\$ 1,637,182
Changes of assumptions	774,876	808,065	1,582,941
Net difference between projected and actual earnings on plan investments	1,465,245	-	1,465,245
Changes in proportion and differences between contributions and proportionate share of contributions	116,602	-	116,602
Benefit payments and administrative costs paid subsequent to the measurement date	2,157,902	81,711	2,239,613
Total	<u>\$ 5,829,511</u>	<u>\$ 1,212,072</u>	<u>\$ 7,041,583</u>
<b>Deferred of Inflows of Resources:</b>			
Changes of assumptions	\$ -	\$ 53,904	\$ 53,904
Changes in proportion and differences between contributions and proportionate share of contributions	64,797	-	64,797
Total	<u>\$ 64,797</u>	<u>\$ 53,904</u>	<u>\$ 118,701</u>

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

*Plan Description.* The City and the ABC Board contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City and ABC Board. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The state's ACFR 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.

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*Funding Policy.* Article 12E of G.S. Chapter 143 required the City to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan.

The City's contribution for the year ended June 30, 2021, was \$212,159. No amounts were forfeited. The City provides a Section 401(k) plan for this purpose. The ABC Board's contributions for the year ended June 30, 2021 were \$20,271.

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

**Other Post-Employment Benefits (OPEB)**

*a. Healthcare Benefits*

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

*Benefits Provided.* Participating retired employees are required to pay for coverage based on the City's current funding rates for the group as determined by the third-party administrator. Health care and prescription drug coverage are available to eligible retirees under age 65. Dental coverage is available at the retirees' expense. The retiree may continue dependent coverage (and pay the full cost of this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the spouse becoming eligible for Medicare, upon the retiree becoming eligible for Medicare, or upon the retirees' death, whichever comes first. The City Council may amend the benefit provisions. A separate report was not issued for the plan. Retired employee members and active employee's membership in the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	<u>City</u>
Inactive members or beneficiaries	
currently receiving benefits	20
Active members	401
Total	<u><u>421</u></u>

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**Total OPEB Liability**

The City's total OPEB liability of \$1,207,781 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
Salary increases	3.50 to 7.75 percent, including wage inflation
Discount rate	2.21 percent
Healthcare Cost Trends:	
Pre-Medicare	7.00 percent for 2020 decreasing to an ultimate rate of 4.50% by 2030

**Changes in the Total OPEB Liability**

Balance as of July 1, 2020	\$ 1,736,228
Changes for the year:	
Service cost at the end of year	73,421
Interest	62,142
Difference between expected and actual experience	(758,181)
Changes in assumptions and other inputs	163,076
Benefit payments	<u>(68,905)</u>
Net changes	<u>(528,447)</u>
Balance as of June 30, 2021	<u><u>\$ 1,207,781</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

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

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

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The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed 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 City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 1,351,246	\$ 1,207,781	\$ 1,080,604

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 1,044,320	\$ 1,207,781	\$ 1,406,894

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$1,075. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ 888,789
Benefit payments made and administrative expenses incurred subsequent to the measurement date	135,869	-
Changes in assumptions and other inputs	194,497	351,280
Total	\$ 330,366	\$ 1,240,069

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\$135,869 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year Ending June 30	Amount
2022	\$ (142,488)
2023	(142,488)
2024	(142,488)
2025	(142,488)
2026	(142,488)
Thereafter	(333,132)
Total	<u>\$ (1,045,572)</u>

**Other Employee Benefits**

*Life Insurance.* The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employee's Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. The City also provides additional term life insurance and any amounts over the \$50,000 term life insurance limit is considered taxable. The contributions to the death benefit plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City and the ABC Board have no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City and the ABC Board, the City and the ABC Board does not determine the number of eligible participants. The City considers these contributions to be immaterial.

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**Deferred Outflows and Inflows of Resources**

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

Source	Amount
LGERS contributions to pension in current fiscal year	\$ 2,157,902
Benefit payments and administrative expenses for LEOSA made subsequent to measurement date	81,711
OPEB benefit payments made subsequent to measurement date	135,869
Differences between expected and actual experience	1,637,182
Changes in assumptions	1,777,438
Net difference between projected and actual earnings on pension plan	1,465,245
Changes in proportion and differences between employer contributions and proportionate share of contributions	116,602
	<hr/>
Total deferred outflows of resources	<u><u>\$ 7,371,949</u></u>

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

	Statement of Net Position	General Fund Balance Sheet	Nonmajor Funds
Prepaid taxes	\$ 66,212	\$ 66,212	\$ -
Property taxes - General Fund	-	42,390	-
Other receivables	-	124,361	569,193
OPEB difference between expected and actual experience	1,240,069	-	-
Changes in proportion and differences between employer and proportionate share of contributions	118,701	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u><u>\$ 1,424,982</u></u>	<u><u>\$ 232,963</u></u>	<u><u>\$ 569,193</u></u>

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**Risk Management**

- a. *General Liability, Surety Bonds, Property Insurance and Auto Liability.* The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases various insurance policies, including general liability and auto liability coverage of \$4 million per occurrence, property coverage of \$105,879,205 per occurrence (after a \$10,000 deductible). The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. The City's flood insurance is \$1,000,000 with a \$50,000 deductible. In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Director and the Tax Collector are bonded for \$250,000 and \$50,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.
- b. *Self-funded - Group Health.* The City is exposed to various risks of loss related to medical and illness needs of employees. The City and employees participate in a cost-share plan for group health insurance. The City established the Health Insurance Fund (Internal Service Fund) to account for its self-insurance plan. The City has contracted with the Aetna to administer the plan. The City is responsible for claims up to \$150,000 per covered employee/dependent per policy term. Claims greater than \$150,000 per covered employee/dependent per policy term, and those in excess of the aggregate stop loss of 125% of expected net claims, are insured by the private insurance carrier. All employees of the City are eligible to participate in the program and make payments to the Health Insurance Fund based on actuarial estimates of the amounts needed to pay claims. The claims liability of \$363,000 reported in the fund at June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The \$363,000 claims liability represents total estimated claims incurred but not reported (IBNR), as provided by the plan administrator's actuary.
- c. *Self-funded Workers' Compensation.* The City is self-funded for workers' compensation. Through this self-funded workers' compensation program, the City obtains workers' compensation coverage up to the statutory limits, with no deductible. The workers' compensation program is administered by a third-party administrator. The fund is reinsured through an insurance company for single occurrence losses of \$400,000 for all City employees. The claims liability of \$282,281 reported in the fund at June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The \$282,281 claims liability represents total estimated claims incurred but not reported (IBNR), as provided by the plan administrator's actuary.



**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**Claims and Judgments**

At June 30, 2021, the City was a defendant to various lawsuits; however, no provision has been made in the financial statements for any contingent liabilities. In the opinion of the City's management and the City attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the City's financial position.

**Long-Term Obligations**

a. *Notes Payable.*

The ABC Board's annual report dated June 30, 2021 reported the following outstanding long-term debt:

The ABC Board has a note payable with a bank secured by real estate. At June 30, 2021, the outstanding balance was \$529,221. Monthly payments of principal and interest are \$5,265 per month. The note bears interest rate of 3.25% per annum. Maturity is on May 24, 2031. Maturities are as follows:

Year Ending		
June 30	Principal	Interest
2022	\$ 48,009	\$ 16,368
2023	49,464	14,790
2024	50,964	13,163
2025	52,509	11,488
Beyond	328,275	30,912
Total	<u>\$ 529,221</u>	<u>\$ 86,721</u>

The ABC Board has a line of credit with a bank that is unsecured. At June 30, 2021, the outstanding balance was \$0. The note bears interest at 4.125% per annum and matures on December 31, 2048.

The ABC Board's accumulated vacation at June 30, 2021 was \$43,965. The current portion of the accumulated vacation pay is not considered material.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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*Serviced by the General Fund:*

Original issue \$1,250,000, Equipment Lease Purchase Agreement payable to Capital One in 7 annual installments of \$202,755 beginning on June 15, 2020 through 2026 plus interest at 3.28 percent. The note is secured by a lien on the Equipment. \$ 1,082,598

Total Serviced by the General Fund: \$ 1,082,598

*Serviced by the Water and Sewer Fund:*

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

2.48% note payable to Truist Bank in 15 annual installments of \$403,238 beginning in 2022 through 2036, plus applicable interest. 5,000,000

2.87% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 19 annual installments of \$123,403 beginning in 2004 through 2023, plus applicable interest. 246,806

2.66% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 20 annual installments of \$728,127 beginning in 2007 through 2026, plus applicable interest. 3,640,634

2.00% note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 20 annual installments of \$968,698 beginning in 2007 through 2026, plus applicable interest. 13,561,771

No interest rate note payable to the state of North Carolina Clean Water State Revolving Loan Fund in 20 annual installments beginning with \$237,247 reduced to \$192,401 and annual of \$222,999 thereafter through 2036. 3,334,479

Total Water and Sewer Fund debt \$ 25,933,690

The City's outstanding notes from direct placements related to governmental activities is \$1,082,598.

A note of \$1,082,598 which is secured with collateral of the items being created with the debt contains a provision that an event of default would result in: (1) the timing of repayment of outstanding amounts become immediately due; (2) enforce the City's performance of the applicable covenants of the agreement or recover for the breach thereof; (3) pay over any balance remaining in any applicable project funds to be applied against outstanding required payments in any manner the bank may reasonably deem appropriate; and (4) avail itself of all available remedies under the agreement, including execution and foreclosure under execution on personal property or foreclosure and recovery of attorney's fees and other expenses.

The City's outstanding notes from direct borrowings related to business-type activities is \$25,933,690.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the Fiscal Year Ended June 30, 2021***

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A direct borrowing note of \$150,000 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$5,000,000 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$246,806 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$3,640,634 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$13,561,771 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

A direct borrowing note of \$3,334,479 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans. In the event of default, monies owed to the City by the State of North Carolina may be used to satisfy the debt requirement.

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

	Notes Payable		Total Debt
	Principal	Interest	Payment
<b><u>Governmental activities:</u></b>			
2022	\$ 167,246	\$ 35,510	\$ 202,756
2023	172,732	30,024	202,756
2024	178,398	24,358	202,756
2025	184,249	18,507	202,756
2026	190,292	12,463	202,755
2027	189,681	6,222	195,903
Total governmental	1,082,598	127,084	1,209,682
<b><u>Business-type activities - Water and Sewer Fund:</u></b>			
2022	\$ 2,471,765	\$ 503,060	\$ 2,974,825
2023	2,328,690	449,951	2,778,641
2024	2,212,384	400,570	2,612,954
2025	2,219,656	354,555	2,574,211
2026	2,227,110	308,360	2,535,470
2027-2031	7,613,345	1,035,918	8,649,263
2032-2036	6,860,740	335,476	7,196,216
Total Water and Sewer Fund	25,933,690	3,387,890	29,321,580
Total debt	\$ 27,016,288	\$ 3,514,974	\$ 30,531,262

At June 30, 2021, the City of Statesville's legal debt margin is \$244,679,000.

	Beginning Balance	Additions	Decreases	Ending Balance	Current Portion of Balance	Long-Term Portion of Balance
<b><u>Governmental Activities:</u></b>						
<b><u>General Fund:</u></b>						
Notes Payable from						
direct placement	\$ 1,950,000	\$ -	\$ 867,402	\$ 1,082,598	\$ 167,246	\$ 915,352
Net Pension Liability (LGERS)	5,890,404	1,914,082	-	7,804,486	-	7,804,486
Total OPEB Liability	1,318,791	-	412,957	905,834	-	905,834
Total Pension Liability (LEOSSA)	2,468,072	1,137,140	-	3,605,212	-	3,605,212
Compensated Absences	2,380,228	152,485	25,004	2,507,709	1,003,084	1,504,625
Total Government Activities	\$ 14,007,495	\$ 3,203,707	\$ 1,305,363	\$ 15,905,839	\$ 1,170,330	\$ 14,735,509

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Current Portion of Balance</b>	<b>Long-Term Portion of Balance</b>
<b>Business-Type Activities:</b>						
<b>Airport Fund:</b>						
Net Pension Liability (LGERS)	\$ 57,355	\$ 25,522	\$ -	\$ 82,877	\$ -	\$ 82,877
Total OPEB Liability	17,362	-	5,284	12,078	-	12,078
Compensated Absences	28,364	11,562	3,194	36,732	14,693	22,039
Total Airport Fund	103,081	37,084	8,478	131,687	14,693	116,994
<b>Electric Fund:</b>						
Net Pension Liability (LGERS)	620,859	204,169	-	825,028	-	825,028
Total OPEB Liability	138,898	-	42,275	96,623	-	96,623
Compensated Absences	449,954	68,422	69,335	449,041	179,616	269,425
Total Electric Fund	1,209,711	272,591	111,610	1,370,692	179,616	1,191,076
<b>Water and Sewer Fund:</b>						
Notes Payable from						
direct borrowings	23,126,216	5,000,000	2,192,526	25,933,690	2,471,765	23,461,925
Net Pension Liability (LGERS)	1,140,938	331,774	-	1,472,712	-	1,472,712
Total OPEB Liability	225,710	-	68,698	157,012	-	157,012
Compensated Absences	316,543	41,785	53,325	305,003	122,001	183,002
Total Water and Sewer Fund	24,809,407	5,373,559	2,314,549	27,868,417	2,593,766	25,274,651
<b>Stormwater Fund:</b>						
Net Pension Liability (LGERS)	7,799	25,521	-	33,320	-	33,320
Total OPEB Liability	742	11,336	-	12,078	-	12,078
Compensated Absences	5,740	6,245	224	11,761	4,704	7,057
Total Stormwater Fund	14,281	43,102	224	57,159	4,704	52,455
<b>Civic Center Fund:</b>						
Net Pension Liability (LGERS)	142,786	51,042	-	193,828	-	193,828
Total OPEB Liability	34,725	-	10,569	24,156	-	24,156
Compensated Absences	31,349	1,245	729	31,865	12,746	19,119
Total Civic Center Fund	208,860	52,287	11,298	249,849	12,746	237,103
Total Business-Type Activities	\$ 26,345,340	\$ 5,778,623	\$ 2,446,159	\$ 29,677,804	\$ 2,805,525	\$ 26,872,279

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2021*

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**B. Interfund Balances and Activity**

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

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

From Occupancy Fund to Civic Center Fund for tourism promotion	\$ 690,471
From Airport Fund to General Fund for payments in lieu of taxes	43,800
From Electric Fund to General Fund for payments in lieu of taxes	135,245
From Water and Sewer Fund to General Fund for payment in lieu of taxes	364,184
From General Fund to Brookdale NC-21 Connector for matching requirement	262,414
From Occupancy Tax Fund to General Fund for support	18,819
From Water and Sewer Fund to General Fund for support	1,740,800
From Civic Center Fund to General Fund for support	105,360
From Airport Fund to General Fund for support	123,300
From Electric Fund to General Fund for support	1,517,425
From Stormwater Fund to General Fund for support	835,000
From General Equipment Capital Fund to General Fund for capital purposes	1,628,034
From Civic Center Fund to General Fund for payment in lieu of taxes	27,454
Total	<u>\$ 7,492,306</u>

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

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

An interfund loan of \$3,210,000 which is secured with collateral of items being created with the debt contains a provision that states, failure to adopt on or before completion of project, place into effect and agree to maintain the principal sum is paid, a schedule of fees that will adequately provide for proper operation, maintenance and administrations of the project and for repayment of all principal of and interest on loans.

*Serviced by the Airport Fund:*

A variable rate interfund loan from the Electric Fund to the Airport Fund in 20 annual installments of \$273,708 beginning in 2022 through 2041, plus applicable interest. \$ 5,474,161

*Serviced by the Water and Sewer Fund:*

A variable rate interfund loan from the Electric Fund to the Water and Sewer Fund in \$ 3,210,000

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Shelton Ave. Multi-Use Path	<u>\$ 173,469</u>	Short-term cash shortfall due to timing of grant revenue

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Payment</u>
<u>Business-type activities - Airport Fund:</u>			
2022	\$ 273,708	\$ 88,955	\$ 88,955
2023	273,708	52,005	362,663
2024	273,708	49,267	325,713
2025	273,708	46,530	322,975
2026	273,708	43,793	320,238
2027-2031	1,368,540	177,910	1,560,136
2032-2036	1,368,540	109,483	1,491,709
2037-2041	<u>1,368,540</u>	<u>41,056</u>	<u>1,699,727</u>
Total Airport Fund	<u>\$ 5,474,161</u>	<u>\$ 608,999</u>	<u>\$ 6,172,116</u>
<u>Business-type activities - Water and Sewer Fund:</u>			
2022	\$ 321,000	\$ 482	\$ 321,482
2023	321,000	433	321,433
2024	321,000	433	321,433
2025	321,000	385	321,385
2026	321,000	337	321,337
2027-2031	<u>1,605,000</u>	<u>963</u>	<u>1,605,963</u>
Total Water and Sewer Fund	<u>\$ 3,210,000</u>	<u>\$ 3,033</u>	<u>\$ 3,213,033</u>

### III. JOINTLY GOVERNED ORGANIZATIONS

#### North Carolina Municipal Power Agency Number 1

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the Fiscal Year Ended June 30, 2021***

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

The City is billed monthly for 9.8639% of the operating expenditures (including debt service) of the Agency and is obligated to purchase all bulk power supply requirements from the Agency. All payments to the Agency by the City must be made from operating revenues of the Electric Fund, and cannot, by law, be paid by other revenues earned or taxes levied by the City. The City agrees that it will fix and collect rates at a sufficient amount to provide for the pro rata costs and other operating expenses of its Electric Fund. Except for the power sales purchase requirements, no municipality has any obligation, entitlement, or residual interest. The City's purchase of power for the fiscal year ended June 30, 2021 totaled \$33,814,772 to the Agency, \$702,315 to the Southeast Power Agency and \$8,210 for customer's co-generation for a total of \$34,517,087.

**Centralina Council of Governments**

The City, in conjunction with eight counties and 49 other municipalities established the Centralina Council of Governments (COG). The participating governments established the COG to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the COG's governing board. The City paid membership fees of \$6,198 to the COG during the fiscal year ended June 30, 2021.

**IV. JOINT VENTURE**

The City and the members of the City's fire department each appoint two members to the five-member local Board of Trustees for the Firefighter's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Fireman's Relief Fund is funded by a portion of the fire and lighting insurance premiums that insurers remit to the state. The state passes these moneys to the local board of the Firefighter's Relief Fund. The funds are used to assist fire fighters in various ways. The City obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the City's fire department by the Board of Trustees. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2021. The Firefighter's Relief Fund does not issue separate audited financial statements. Instead, the local Board of Trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

**V. RELATED ORGANIZATION**

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



**CITY OF STATESVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2021*

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**VI. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal-and State-Assisted Programs

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

In March, 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 City, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the City 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.

**VII. NET INVESTMENT IN CAPITAL ASSETS**

	Governmental Activities	Business-Type Activities
Capital assets	\$ 45,136,128	\$ 150,267,605
less: long-term debt	1,082,598	25,933,690
add: unspent debt proceeds	-	4,994,151
	<u>                    </u>	<u>                    </u>
Net investment in capital assets	<u>\$ 44,053,530</u>	<u>\$ 129,328,066</u>

**VIII. FUND BALANCE**

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

Total fund balance - General Fund	<u>\$ 32,288,395</u>
Less: Inventory	17,331
Stabilization by state statute	7,085,880
Transportation	733,308
Separation Allowance - law enforcement	252,739
Subsequent year's appropriations	1,000,000
Prepays	<u>9,214</u>
Unassigned - available for appropriations	<u>\$ 23,189,923</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances at year end for the General Fund were \$2,396,227.

**IX. Subsequent Events**

The City of Statesville was awarded \$8,773,103 from the Federal American Rescue Plan (ARP). Subsequent to year-end the City of Statesville received \$4,386,552. The remaining amount of \$4,386,551 is expected to be received within the next 12 months.

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**CITY OF STATESVILLE, NORTH CAROLINA  
REQUIRED SUPPLEMENTARY  
FINANCIAL INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

<b>Local Government Employees' Retirement System</b>				
	June 30			
	2021	2020	2019	2018
Proportionate share of net pension liability (asset) (%)	0.29138%	0.28782%	0.29845%	0.28311%
Proportionate share of net pension liability (asset) (\$)	\$ 10,412,251	\$ 7,860,141	\$ 7,080,255	\$ 4,325,137
City's covered payroll	\$ 20,331,842	\$ 19,384,497	\$ 18,850,298	\$ 17,591,482
Proportionate share of net pension liability (asset) (%) as a percentage of its covered payroll	51.21%	40.55%	37.56%	24.59%
Plan fiduciary net pension 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.

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

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

<b>Local Government Employees' Retirement System</b>				
	June 30			
	2017	2016	2015	2014
Proportionate share of net pension liability (asset) (%)	0.28086%	0.28086%	0.28690%	0.28690%
Proportionate share of net pension liability (asset) (\$)	\$ 5,888,631	\$ 1,260,485	\$ (1,659,191)	\$ (1,659,191)
City's covered payroll	\$ 16,458,629	\$ 16,309,037	\$ 16,030,322	\$ 15,836,817
Proportionate share of net pension liability (asset) (%) as a percentage of its covered payroll	35.78%	7.73%	-10.35%	-10.48%
Plan fiduciary net pension as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

<b>Local Government Employees' Retirement System</b>				
	June 30			
	2021	2020	2019	2018
Contractually required contribution	\$ 2,157,902	\$ 1,861,399	\$ 1,543,698	\$ 1,447,773
Contributions in relation to the contractually required contribution	2,157,902	1,861,399	1,543,698	1,447,773
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 20,853,377	\$ 20,331,842	\$ 19,384,497	\$ 18,850,298
Contributions as a percentage of covered payroll	10.35%	9.16%	7.96%	7.68%

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

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

<b>Local Government Employees' Retirement System</b>				
	June 30			
	2017	2016	2015	2014
Contractually required contribution	\$ 1,315,412	\$ 1,126,523	\$ 1,165,415	\$ 1,140,919
Contributions in relation to the contractually required contribution	<u>1,315,412</u>	<u>1,126,523</u>	<u>1,165,415</u>	<u>1,140,919</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 17,591,482	\$ 16,458,629	\$ 16,309,037	\$ 16,030,322
Contributions as a percentage of covered payroll	7.48%	6.84%	7.15%	7.12%

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 2,468,072	\$ 2,306,764	\$ 2,281,664	\$ 1,929,764	\$ 1,937,151
Service cost	118,641	111,375	125,980	95,883	102,230
Interest on the total pension liability	77,616	80,929	70,129	72,159	66,877
Differences between expected and actual experience in the measurement of the total pension liability	247,035	61,470	44,390	171,979	-
Changes of assumptions or other inputs	868,268	74,415	(90,641)	132,613	(48,826)
Benefit payments	(174,420)	(166,881)	(124,758)	(120,734)	(127,668)
Ending balance of the total pension liability	<u>\$ 3,605,212</u>	<u>\$ 2,468,072</u>	<u>\$ 2,306,764</u>	<u>\$ 2,281,664</u>	<u>\$ 1,929,764</u>

**Notes to the Schedules:**

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

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



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 3,605,212	\$ 2,468,072	\$ 2,306,764	\$ 2,281,664	\$ 1,929,764
Covered employee payroll	3,920,319	4,050,651	4,156,675	3,706,169	3,735,880
Total pension liability as a percentage of covered payroll	91.96%	60.93%	55.50%	61.56%	51.65%

**Notes to the Schedules:**

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

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

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

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 73,421	\$ 67,490	\$ 98,829	\$ 107,392
Interest	62,142	64,372	74,873	66,822
Difference between expected and actual experience	(758,181)	(103,568)	(118,327)	(77,511)
Changes in assumptions and other inputs	163,076	60,352	(422,577)	(116,839)
Benefit payments	(68,905)	(14,383)	(146,710)	(47,642)
Net changes	(528,447)	74,263	(513,912)	(67,778)
Total OPEB liability, beginning of fiscal year:	1,736,228	1,661,965	2,175,877	2,243,655
Total OPEB liability, end of fiscal year:	<u>\$ 1,207,781</u>	<u>\$ 1,736,228</u>	<u>\$ 1,661,965</u>	<u>\$ 2,175,877</u>
Covered employee payroll	\$ 18,849,600	\$ 17,470,359	\$ 17,470,359	\$ 14,570,229
Total OPEB liability as a percentage of covered employee payroll	6.41%	9.94%	9.51%	14.93%

**Notes to Required Schedule:**

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

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

The City of Statesville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits

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

## ***MAJOR GOVERNMENTAL FUND***

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

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

	Budget	Actual	Variance Over/Under
<b>REVENUES:</b>			
Ad valorem property taxes:			
Ad valorem taxes (city-wide)	\$ 17,600,000	\$ 18,350,399	\$ 750,399
Prior years ad valorem taxes (city-wide)	175,000	180,689	5,689
Ad valorem taxes (special districts)	106,000	109,414	3,414
Penalties and interest	100,000	179,999	79,999
Total ad valorem property taxes	17,981,000	18,820,501	839,501
Other taxes and licenses:			
Gross receipt tax	25,000	50,453	25,453
Privilege licenses - beer and wine	2,500	2,350	(150)
Total other taxes and licenses	27,500	52,803	25,303
Unrestricted intergovernmental revenues:			
Local sales tax	5,991,650	8,996,849	3,005,199
Electric/natural gas tax	1,902,000	2,192,361	290,361
State beer and wine tax	95,200	108,707	13,507
Telecommunication tax	148,750	165,802	17,052
Video programming tax	89,250	123,168	33,918
ABC profit distribution	200,000	236,678	36,678
ABC law enforcement distribution	-	17,901	17,901
ABC liquor by the drink	7,000	58,305	51,305
Total unrestricted intergovernmental	8,433,850	11,899,771	3,465,921
Restricted intergovernmental:			
Powell Bill allocation	730,000	697,582	(32,418)
Solid waste tax	15,000	19,481	4,481
Fire SAFER grant	125,000	183,552	58,552
JAG and other law enforcement grants	-	54,831	54,831
Federal interest subsidy for debt interest	10,000	5,274	(4,726)
N.C. Governor's Crime Commission	-	30,216	30,216
N.C. Dept of Commerce Economic Development Grant	542,000	300,000	(242,000)
CARES Act	622,454	622,455	1
GHSP grant	217,862	50,221	(167,641)
FEMA	375,827	370,215	(5,612)
COPS grant	30,000	-	(30,000)
Total restricted intergovernmental	2,668,143	2,333,827	(334,316)
Permits and fees:			
Planning and zoning fees	27,000	38,265	11,265
Nuisance abatements	20,000	22,340	2,340
Court fees	9,350	-	(9,350)
Parking violations	-	11,930	11,930
Civil citations	-	1,050	1,050
Fire inspection fees	55,000	78,250	23,250
Street cut permits	-	525	525
Total permits and fees	111,350	152,360	41,010

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

	Budget	Actual	Variance Over/Under
<b>REVENUES (Continued):</b>			
Sales and services:			
Statesville Housing Authority police protection	50,000	57,392	7,392
School System resource police officers	150,000	341,355	191,355
Rent	-	6,489	6,489
Solid Waste residential fees	1,040,900	1,108,790	67,890
Commercial sanitation fee	117,300	137,363	20,063
Internal charges	6,900	8,218	1,318
Recreation-general	40,000	85,518	45,518
Recreation-Fitness/Activity Center	75,000	121,985	46,985
SFAC employee membership	5,000	4,079	(921)
Recreation-pool sales	120,000	101,227	(18,773)
Sale of cemetery lots	80,000	114,450	34,450
Grave fees	65,000	93,800	28,800
Total sales and services	1,750,100	2,180,666	430,566
Investment earnings:			
Earned interest	175,000	(15,481)	(190,481)
Total investment earnings	175,000	(15,481)	(190,481)
Miscellaneous:			
Insurance proceeds	81,175	16,322	(64,853)
Sale of capital assets	30,000	1,016,359	986,359
Miscellaneous other	25,000	81,047	56,047
Total miscellaneous	136,175	1,113,728	977,553
Total revenues	31,283,118	36,538,175	5,255,057
<b>EXPENDITURES:</b>			
General government:			
Mayor and Council:			
Salaries and employee benefits		102,771	
Professional services		20,000	
Operating expenditures		107,505	
Capital outlay		62,205	
Total Mayor and Council	319,476	292,481	26,995
City Manager:			
Salaries and employee benefits		654,591	
Professional services		38,087	
Operating expenditures		50,816	
Total City Manager	772,070	743,494	28,576
City Clerk:			
Salaries and employee benefits		79,353	
Operating expenditures		80,962	
Total City Clerk	180,522	160,315	20,207

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
EXPENDITURES (Continued):			
General government (continued):			
Finance Department:			
Salaries and employee benefits		970,388	
Professional services		83,948	
Operating expenditures		545,186	
Total finance department	1,729,472	1,599,522	129,950
Human Resources:			
Salaries and employee benefits		380,939	
Professional services		31,965	
Operating expenditures		94,205	
Total human resources	647,974	507,109	140,865
Information Technology:			
Salaries and employee benefits		874,677	
Professional services		30,480	
Operating expenditures		372,896	
Capital outlay		135,586	
Total information technology	1,953,179	1,413,639	539,540
Legal:			
Operating expenditures		145,301	
Total legal	147,500	145,301	2,199
Planning and Zoning:			
Salaries and employee benefits		633,534	
Professional services		61,489	
Operating expenditures		281,028	
Total planning and zoning	1,796,119	976,051	820,068
Main Street:			
Operating expenditures		168,253	
Total Main Street	189,577	168,253	21,324
Public Works and Engineering:			
Salaries and employee benefits		348,199	
Professional services		26,157	
Operating expenditures		39,857	
Total public works and engineering	501,912	414,213	87,699

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

	Budget	Actual	Variance Over/Under
EXPENDITURES (Continued):			
Garage:			
Salaries and employee benefits		546,323	
Operating expenditures		76,245	
Capital outlay		13,580	
Total garage	674,416	636,148	38,268
General government (continued):			
Warehouse:			
Operating expenditures		88,405	
Total warehouse	112,984	88,405	24,579
General expense:			
Miscellaneous		183,118	
Total general expense	516,754	183,118	333,636
Special appropriations:			
Arts council	3,325	3,325	-
Children's Home of Iredell County	3,750	3,750	-
Council on Aging	5,750	5,750	-
Iredell County Rescue Squad	6,500	6,500	-
Lifespan Vocational Workshop	25,000	25,000	-
Elderly Nutrition Program	3,731	3,731	-
Counseling Center	9,560	9,560	-
Iredell Senior Center	4,600	4,600	-
Fifth Street Ministry	4,000	4,000	-
Iredell County Children's Museum	3,570	3,570	-
Total special appropriation	69,786	69,786	-
Total general government	9,604,664	7,397,835	2,206,829
Public safety:			
Police:			
Salaries and employee benefits		8,137,837	
Professional services		11,584	
Operating expenditures		1,559,611	
Capital outlay		586,811	
Total police	11,331,468	10,295,843	1,035,625
Fire service:			
Salaries and employee benefits		5,834,537	
Professional services		31,609	
Operating expenditures		1,387,599	
Capital outlay		894,583	
Total fire service	8,254,525	8,148,328	106,197
Total public safety	19,585,993	18,444,171	1,141,822



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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
EXPENDITURES (Continued):			
Transportation:			
Street Department:			
Salaries and employee benefits		890,561	
Professional services		2,180	
Operating expenditures		866,706	
Capital outlay		199,314	
Total street department	<u>2,138,599</u>	<u>1,958,761</u>	<u>179,838</u>
Street Construction:			
Operating expenditures		34,434	
Capital outlay		76,414	
Total street construction	<u>531,714</u>	<u>110,848</u>	<u>420,866</u>
Total transportation	<u>2,670,313</u>	<u>2,069,609</u>	<u>600,704</u>
Economic and physical development:			
Operating expenditures		404,608	
Total economic and physical development	<u>600,000</u>	<u>404,608</u>	<u>195,392</u>
Environmental protection:			
Sanitation:			
Salaries and employee benefits		1,415,491	
Operating expenditures		392,161	
Capital outlay		459,804	
Total environmental protection	<u>2,577,315</u>	<u>2,267,456</u>	<u>309,859</u>
Cultural and recreation:			
Recreation - administration:			
Salaries and employee benefits		224,216	
Professional services		34,040	
Operating expenditures		201,496	
Capital outlay		20,681	
Total administration	<u>931,529</u>	<u>480,433</u>	<u>451,096</u>
Recreation - athletics:			
Salaries and employee benefits		113,878	
Operating expenditures		123,591	
Total athletics	<u>258,923</u>	<u>237,469</u>	<u>21,454</u>
Recreation - fitness center:			
Salaries and employee benefits		296,866	
Operating expenditures		111,085	
Total fitness center	<u>480,194</u>	<u>407,951</u>	<u>72,243</u>

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

	Budget	Actual	Variance Over/Under
EXPENDITURES (Continued):			
Recreation - programs:			
Salaries and employee benefits		207,889	
Operating expenditures		71,025	
Total programs	310,540	278,914	31,626
Recreation - leisure pool:			
Salaries and employee benefits		62,802	
Operating expenditures		68,994	
Total leisure pool	169,102	131,796	37,306
Recreation - park maintenance			
Salaries and employee benefits		931,708	
Operating expenditures		492,484	
Capital outlay		94,397	
Total park maintenance	1,927,001	1,518,589	408,412
Recreation - public grounds and cemetery:			
Salaries and employee benefits		423,890	
Operating expenditures		284,663	
Capital outlay		66,538	
Total public grounds and cemetery	893,392	775,091	118,301
Total culture and recreation	4,970,681	3,830,243	1,140,438
Debt service:			
Principal payment		867,402	
Interest payment		47,603	
Total debt service	915,500	915,005	495
Total expenditures	40,924,466	35,328,927	5,595,539
Revenues over (under) expenditures	(9,641,348)	1,209,248	10,850,596

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

	Budget	Actual	Variance Over/Under
OTHER FINANCING SOURCES (USES):			
Transfers in:			
Internal PILOT - Airport PILOT	43,000	43,800	800
Internal PILOT - Water & Sewer PILOT	363,000	364,184	1,184
Internal PILOT - Civic Center PILOT	27,000	27,454	454
Internal PILOT - Electric PILOT	135,000	135,245	245
Reimbursements - Occupancy Tax	15,000	18,819	3,819
Reimbursements - Water & Sewer	1,740,000	1,740,800	800
Reimbursements - Civic Center	105,000	105,360	360
Reimbursement - Airport	120,000	123,300	3,300
Reimbursements - Electric	1,515,000	1,517,425	2,425
Reimbursements - Stormwater	835,000	835,000	-
Transfers from other funds	712,000	1,628,034	916,034
Total transfers in	5,610,000	6,539,421	929,421
Transfers (out):			
Transfers to other funds	(262,414)	(262,414)	-
Total transfers out	(262,414)	(262,414)	-
Proceeds from long-term debt	1,497,000	-	(1,497,000)
Fund balance appropriated	2,796,762	-	(2,796,762)
Total other financing sources (uses)	9,641,348	6,277,007	(3,364,341)
Net change in fund balance	\$ -	7,486,255	\$ 7,486,255
Fund balances at beginning of year		24,802,140	
Fund balances at end of year		\$ 32,288,395	

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## ***NONMAJOR GOVERNMENTAL FUNDS***

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

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

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

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

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

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

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

**Streetscape Capital Fund** - accounts for the downtown infrastructure renewal.

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

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

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

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

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Occupancy Tax Fund	Home Program Fund	Drug Enforcement Fund	Domestic Violence Grant Fund	Secondary E-911 Fund	Total Nonmajor Special Revenue Funds	General Equipment Capital Reserve Fund	Streetscape Capital Fund
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 44,008	\$ 262,037	\$ 165,140	\$ 80,959	\$ 110,869	\$ 663,013	\$ 580,879	\$ 384,121
Accounts receivable, net	-	-	-	-	3,148	3,148	-	-
Due from other governments	-	45,513	-	18,652	-	64,165	-	-
<b>Total assets</b>	<b>\$ 44,008</b>	<b>\$ 307,550</b>	<b>\$ 165,140</b>	<b>\$ 99,611</b>	<b>\$ 114,017</b>	<b>\$ 730,326</b>	<b>\$ 580,879</b>	<b>\$ 384,121</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY:</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 68,140	\$ 68,140	\$ -	\$ 600
Due to General Fund	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,140</b>	<b>68,140</b>	<b>-</b>	<b>600</b>
<b>DEFERRED INFLOWS:</b>								
Other receivables	-	-	-	-	-	-	-	-
<b>Total deferred inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND EQUITY:</b>								
Stabilization by state statute	-	45,513	-	18,652	3,148	67,313	-	-
Restricted, other	44,008	262,037	165,140	80,959	42,729	594,873	-	-
Committed	-	-	-	-	-	-	580,879	383,521
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>44,008</b>	<b>307,550</b>	<b>165,140</b>	<b>99,611</b>	<b>45,877</b>	<b>662,186</b>	<b>580,879</b>	<b>383,521</b>
<b>Total liabilities, deferred inflows, and fund equity</b>	<b>\$ 44,008</b>	<b>\$ 307,550</b>	<b>\$ 165,140</b>	<b>\$ 99,611</b>	<b>\$ 114,017</b>	<b>\$ 730,326</b>	<b>\$ 580,879</b>	<b>\$ 384,121</b>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Transportation Grant -TAP	Brookdale NC-21 Connector	Shelton Ave. Multi-Use Path	Municipal Service Center Fund	Bethlehem Road Capital Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 377,857	\$ 719,478	\$ -	\$ 194,304	\$ 2,602,114	\$ 4,858,753	\$ 5,521,766
Accounts receivable, net	-	288,211	263,964	-	17,018	569,193	572,341
Due from other governments	-	-	-	-	-	-	64,165
<b>Total assets</b>	<b>\$ 377,857</b>	<b>\$ 1,007,689</b>	<b>\$ 263,964</b>	<b>\$ 194,304</b>	<b>\$ 2,619,132</b>	<b>\$ 5,427,946</b>	<b>\$ 6,158,272</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 17,018	\$ 17,618	\$ 85,758
Due to General Fund	-	-	173,469	-	-	173,469	173,469
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>173,469</b>	<b>-</b>	<b>17,018</b>	<b>191,087</b>	<b>259,227</b>
<b>DEFERRED INFLOWS</b>							
Other receivables	-	288,211	263,964	-	17,018	569,193	569,193
<b>Total deferred inflows</b>	<b>-</b>	<b>288,211</b>	<b>263,964</b>	<b>-</b>	<b>17,018</b>	<b>569,193</b>	<b>569,193</b>
<b>FUND EQUITY:</b>							
Stabilization by state statute	-	-	-	-	-	-	67,313
Restricted, other	-	-	-	-	-	-	594,873
Committed	377,857	719,478	-	194,304	2,585,096	4,841,135	4,841,135
Unassigned	-	-	(173,469)	-	-	(173,469)	(173,469)
<b>Total fund balances</b>	<b>377,857</b>	<b>719,478</b>	<b>(173,469)</b>	<b>194,304</b>	<b>2,585,096</b>	<b>4,667,666</b>	<b>5,329,852</b>
<b>Total liabilities, deferred inflows, and fund equity</b>	<b>\$ 377,857</b>	<b>\$ 1,007,689</b>	<b>\$ 263,964</b>	<b>\$ 194,304</b>	<b>\$ 2,619,132</b>	<b>\$ 5,427,946</b>	<b>\$ 6,158,272</b>

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

	Occupancy Tax Fund	Home Program Fund	Drug Enforcement Fund	Domestic Violence Grant Fund	Secondary E-911 Fund	Total Nonmajor Special Revenue Funds	General Equipment Capital Reserve Fund	Streetscape Capital Fund
<b>REVENUES:</b>								
Other taxes and licenses	\$ 885,917	\$ -	\$ -	\$ -	\$ -	\$ 885,917	\$ -	\$ -
Restricted intergovernmental	-	-	10,730	110,041	37,774	158,545	-	-
Investment earnings	(353)	(173)	(88)	(4)	(24)	(642)	(1,430)	(275)
Miscellaneous	1,262	-	-	-	-	1,262	25,058	-
<b>Total revenues</b>	<b>886,826</b>	<b>(173)</b>	<b>10,642</b>	<b>110,037</b>	<b>37,750</b>	<b>1,045,082</b>	<b>23,628</b>	<b>(275)</b>
<b>EXPENDITURES:</b>								
Public safety:								
Operating expenditures	-	-	-	19,410	-	19,410	-	-
Economic and physical development:								
Operating expenditures	172,618	-	-	-	-	172,618	-	-
Capital outlay	-	-	-	-	-	-	-	7,864
Transportation:								
Capital outlay	-	-	-	-	-	-	-	-
General government								
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>172,618</b>	<b>-</b>	<b>-</b>	<b>19,410</b>	<b>74,582</b>	<b>266,610</b>	<b>-</b>	<b>7,864</b>
Revenues over (under) expenditures	714,208	(173)	10,642	90,627	(36,832)	778,472	23,628	(8,139)
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in:								
General Fund	-	-	-	-	-	-	-	-
Transfers out:								
General Fund	(18,819)	-	-	-	-	(18,819)	-	-
General Capital Reserve	-	-	-	-	-	-	(1,628,034)	-
Civic Center	(690,471)	-	-	-	-	(690,471)	-	-
<b>Total other financing sources (uses)</b>	<b>(709,290)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(709,290)</b>	<b>(1,628,034)</b>	<b>-</b>
Net change in fund balance	4,918	(173)	10,642	90,627	(36,832)	69,182	(1,604,406)	(8,139)
Fund balances at beginning of year	39,090	307,723	154,498	8,984	82,709	593,004	2,185,285	391,660
Fund balances at end of year	<u>\$ 44,008</u>	<u>\$ 307,550</u>	<u>\$ 165,140</u>	<u>\$ 99,611</u>	<u>\$ 45,877</u>	<u>\$ 662,186</u>	<u>\$ 580,879</u>	<u>\$ 383,521</u>



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

	Transportation Grant -TAP	Brookdale NC-21 Connector	Shelton Ave. Multi-Use Path	Municipal Service Center Fund	Bethlehem Road Capital Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>							
Other taxes and licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885,917
Restricted intergovernmental	-	-	-	-	-	-	158,545
Investment earnings	(250)	(307)	(154)	(129)	(1,721)	(4,266)	(4,908)
Miscellaneous	-	-	-	-	-	25,058	26,320
<b>Total revenues</b>	<b>(250)</b>	<b>(307)</b>	<b>(154)</b>	<b>(129)</b>	<b>(1,721)</b>	<b>20,792</b>	<b>1,065,874</b>
<b>EXPENDITURES:</b>							
Public safety:							
Operating expenditures	-	-	-	-	-	-	19,410
Economic and physical development:							
Operating expenditures	-	-	-	-	-	-	172,618
Capital outlay	-	-	-	-	-	7,864	7,864
Transportation:							
Capital outlay	-	5,342	160,652	-	-	165,994	165,994
General government							
Capital outlay	-	-	-	53	17,018	17,071	17,071
<b>Total expenditures</b>	<b>-</b>	<b>5,342</b>	<b>160,652</b>	<b>53</b>	<b>17,018</b>	<b>190,929</b>	<b>457,539</b>
Revenues over (under) expenditures	(250)	(5,649)	(160,806)	(182)	(18,739)	(170,137)	608,335
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in:							
General Fund	-	262,414	-	-	-	262,414	262,414
Transfers out:							
General Fund	-	-	-	-	-	-	(18,819)
General Capital Reserve	-	-	-	-	-	(1,628,034)	(1,628,034)
Civic Center	-	-	-	-	-	-	(690,471)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>262,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,365,620)</b>	<b>(2,074,910)</b>
<b>Net change in fund balance</b>	<b>(250)</b>	<b>256,765</b>	<b>(160,806)</b>	<b>(182)</b>	<b>(18,739)</b>	<b>(1,535,757)</b>	<b>(1,466,575)</b>
Fund balances at beginning of year	378,107	462,713	(12,663)	194,486	2,603,835	6,203,423	6,796,427
Fund balances at end of year	<u>\$ 377,857</u>	<u>\$ 719,478</u>	<u>\$ (173,469)</u>	<u>\$ 194,304</u>	<u>\$ 2,585,096</u>	<u>\$ 4,667,666</u>	<u>\$ 5,329,852</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**OCCUPANCY TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
<b>REVENUES:</b>			
Other taxes and licenses:			
5% hotel/motel occupancy tax	\$ 900,000	\$ 885,917	\$ (14,083)
Investment earnings	-	(353)	(353)
Miscellaneous revenues	-	1,262	1,262
Total revenues	900,000	886,826	(13,174)
<b>EXPENDITURES:</b>			
Economic and physical development	173,500	172,618	882
Total expenditures	173,500	172,618	882
Revenues over (under) expenditures	726,500	714,208	(12,292)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out:			
Civic Center Fund	(692,500)	(690,471)	2,029
General Fund - administration costs	(34,000)	(18,819)	15,181
Total other financing sources (uses)	(726,500)	(709,290)	17,210
Net change in fund balance	\$ -	4,918	\$ 4,918
<b>FUND BALANCE:</b>			
Fund balance at beginning of year		39,090	
Fund balance at end of year		\$ 44,008	

**CITY OF STATESVILLE, NORTH CAROLINA**  
**HOME PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
<b>REVENUES:</b>					
Restricted intergovernmental	\$ 102,978	\$ 113,526	\$ -	\$ 113,526	\$ 10,548
Repayment of loans	90,306	137,136	-	137,136	46,830
Investment earnings	12,989	26,113	(173)	25,940	12,951
Total revenues	206,273	276,775	(173)	276,602	70,329
<b>EXPENDITURES:</b>					
Economic and physical development					
Home program expenditures	500,000	262,848	-	262,848	237,152
Total expenditures	500,000	262,848	-	262,848	237,152
Revenues over (under) expenditures	(293,727)	13,927	(173)	13,754	307,481
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	25,000	25,000	-	25,000	-
Home Program Project Fund	249,462	249,531	-	249,531	69
Home/CDBG	19,265	19,265	-	19,265	-
Total other financing sources (uses)	293,727	293,796	-	293,796	69
Net change in fund balance	\$ -	\$ 307,723	(173)	\$ 307,550	\$ 307,550
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			307,723		
Fund balance at end of year			\$ 307,550		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**DRUG ENFORCEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental:					
Adoptive forfeitures	\$ 641,007	\$ 656,342	\$ -	\$ 656,342	\$ 15,335
Controlled substance tax	378,750	448,639	10,730	459,369	80,619
DARE revenues	926	926	-	926	-
Miscellaneous revenue	-	16,064	-	16,064	16,064
Investment earnings	68,442	74,874	(88)	74,786	6,344
Total revenues	1,089,125	1,196,845	10,642	1,207,487	118,362
<b>EXPENDITURES:</b>					
Public safety:					
Accreditation - CALEA	19,000	16,050	-	16,050	2,950
Drug enforcement	132,855	114,228	-	114,228	18,627
DARE expenditures	2,000	926	-	926	1,074
Other expenditures	5,904	5,896	-	5,896	8
Capital outlay vehicle	16,000	15,466	-	15,466	534
Total expenditures	175,759	152,566	-	152,566	23,193
Revenues over (under) expenditures	913,366	1,044,279	10,642	1,054,921	141,555
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out:					
General Fund	(895,490)	(871,905)	-	(871,905)	23,585
SIGI Grant	(17,876)	(17,876)	-	(17,876)	-
Total other financing sources (uses)	(913,366)	(889,781)	-	(889,781)	23,585
Net change in fund balance	\$ -	\$ 154,498	10,642	\$ 165,140	\$ 165,140
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			154,498		
Fund balance at end of year			\$ 165,140		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**DOMESTIC VIOLENCE GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental:					
Federal grant	\$ 702,799	\$ 561,963	\$ 110,041	\$ 672,004	\$ (30,795)
Investment earnings	-	98	(4)	94	94
Total revenues	702,799	562,061	110,037	672,098	(30,701)
<b>EXPENDITURES:</b>					
Public safety:					
First year grant	63,945	60,071	4,242	64,313	(368)
Second year grant	59,162	56,331	313	56,644	2,518
Third year grant	266,496	162,851	10,772	173,623	92,873
Fourth and fifth year grant	545,613	506,241	4,083	510,324	35,289
Total expenditures	935,216	785,494	19,410	804,904	130,312
Revenues over (under) expenditures	(232,417)	(223,433)	90,627	(132,806)	99,611
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer in:					
General Fund	232,417	232,417	-	232,417	-
Total other financing sources (uses)	232,417	232,417	-	232,417	-
Net change in fund balance	\$ -	\$ 8,984	90,627	\$ 99,611	\$ 99,611
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			8,984		
Fund balance at end of year			\$ 99,611		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SECONDARY E-911 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental:					
E-911 funds	\$ 142,959	\$ 143,318	\$ 37,774	\$ 181,092	\$ 38,133
Investment earnings	-	2,135	(24)	2,111	2,111
Total revenues	142,959	145,453	37,750	183,203	40,244
<b>EXPENDITURES:</b>					
Public Safety:					
Non-depreciable capital	1,197	1,197	-	1,197	-
IT - non-depreciable	3,404	2,629	-	2,629	775
Capital outlay	118,358	43,760	74,582	118,342	16
Total expenditures	122,959	47,586	74,582	122,168	791
Revenues over (under) expenditures	20,000	97,867	(36,832)	61,035	39,453
<b>OTHER FINANCING SOURCESE (USES):</b>					
Transfer out:					
General Fund - administration costs	(20,000)	(15,158)	-	(15,158)	4,842
Total other financing sources (uses)	(20,000)	(15,158)	-	(15,158)	4,842
Net change in fund balance	\$ -	\$ 82,709	(36,832)	\$ 45,877	\$ 45,877
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			82,709		
Fund balance at end of year			\$ 45,877		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**GENERAL EQUIPMENT CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ 390,516	\$ 1,264,818	\$ (1,430)	\$ 1,263,388	\$ 872,872
Sidewalk and curbs	-	161,833	25,058	186,891	186,891
Total revenues	390,516	1,426,651	23,628	1,450,279	1,059,763
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	3,953,217	3,249,482	-	3,249,482	(703,735)
General Fund - debt service Fire Station#4	2,243,251	2,243,251	-	2,243,251	-
General Fund - debt service Streetscape	6,294,788	6,294,788	-	6,294,788	-
Electric	848,190	848,190	-	848,190	-
Water and Sewer	565,460	565,460	-	565,460	-
Warehouse	106,500	106,500	-	106,500	-
Fire Equipment Reserve Fund	28,489	153,778	-	153,778	125,289
Business Park Capital Project Fund	153,777	28,489	-	28,489	(125,288)
Total transfers in	14,193,672	13,489,938	-	13,489,938	(703,734)
Transfers out:					
General Fund - Fire Station #4	1,949,597	1,749,511	200,086	1,949,597	-
General Fund - Streetscape	7,708,438	6,280,490	1,427,948	7,708,438	-
Warehouse reserve	106,500	-	-	-	106,500
General Fund - Police	49,056	49,056	-	49,056	-
General Fund - Fire	575,000	575,000	-	575,000	-
Statesville Park Fund	712,096	615,467	-	615,467	96,629
General Fund - undesignated	3,108,501	3,098,458	-	3,098,458	10,043
General Fund - Fire station land acquisition	375,000	363,322	-	363,322	11,678
Total transfers out	14,584,188	12,731,304	1,628,034	14,359,338	224,850
Total other financing sources (uses)	(390,516)	26,221,242	1,628,034	27,849,276	(478,884)
Net change in fund balance	\$ -	\$ 2,185,285	(1,604,406)	\$ 580,879	\$ 580,879
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			2,185,285		
Fund balance at end of year			\$ 580,879		



**CITY OF STATESVILLE, NORTH CAROLINA**  
**STREETSCAPE CAPITAL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Unrestricted intergovernmental	\$ 195,727	\$ 195,727	\$ -	\$ 195,727	\$ -
Investment earnings	2,793	18,216	(275)	17,941	15,148
Investment earnings - other	7,260	7,261	-	7,261	1
Total revenues	205,780	221,204	(275)	220,929	15,149
<b>EXPENDITURES:</b>					
Economic and physical development:					
Debt issuance costs	26,133	26,133	-	26,133	-
Professional services	436,387	428,387	7,864	436,251	136
Construction	7,835,870	7,835,870	-	7,835,870	-
Miscellaneous	82,368	82,367	-	82,367	1
Other improvement	124,554	124,554	-	124,554	-
Professional services	235,656	235,656	-	235,656	-
Pocket Park	87,560	87,560	-	87,560	-
Shelton Ave Streetscape	488,000	120,370	-	120,370	367,630
Contingency	605	-	-	-	605
Total expenditures	9,317,133	8,940,897	7,864	8,948,761	368,372
Revenues over (under) expenditures	(9,111,353)	(8,719,693)	(8,139)	(8,727,832)	383,521
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	2,467,965	2,467,965	-	2,467,965	-
Electric Fund	973,722	973,722	-	973,722	-
Water and Sewer Fund	645,024	645,024	-	645,024	-
City Hall Renovation Fund	111,000	111,000	-	111,000	-
Miscellaneous revenue	7,642	7,642	-	7,642	-
Proceeds from debt	4,906,000	4,906,000	-	4,906,000	-
Total other financing sources (uses)	9,111,353	9,111,353	-	9,111,353	-
Net change in fund balance	\$ -	\$ 391,660	(8,139)	\$ 383,521	\$ 383,521
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			391,660		
Fund balance at end of year			\$ 383,521		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**TRANSPORTATION GRANT - TAP**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 17,363	\$ (250)	\$ 17,113	\$ 17,113
Carolina Thread Trail	150,000	150,000	-	150,000	-
Transportation Grant	1,200,000	-	-	-	(1,200,000)
Total revenues	1,350,000	167,363	(250)	167,113	(1,182,887)
<b>EXPENDITURES:</b>					
Transportation:					
Contract services	1,670,000	109,256	-	109,256	1,560,744
Total expenditures	1,670,000	109,256	-	109,256	1,560,744
Revenues over (under) expenditures	(320,000)	58,107	(250)	57,857	377,857
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	320,000	320,000	-	320,000	-
Total other financing sources (uses)	320,000	320,000	-	320,000	-
Net change in fund balance	\$ -	\$ 378,107	(250)	\$ 377,857	\$ 377,857
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			378,107		
Fund balance at end of year			\$ 377,857		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**BROOKDALE NC-21 CONNECTOR**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 29,544	\$ (307)	\$ 29,237	\$ 29,237
Transportation Grant	1,881,975	-	-	-	(1,881,975)
Total revenues	1,881,975	29,544	(307)	29,237	(1,852,738)
<b>EXPENDITURES:</b>					
Transportation:					
Project construction costs	2,727,500	412,356	5,342	417,698	2,309,802
Total expenditures	2,727,500	412,356	5,342	417,698	2,309,802
Revenues over (under) expenditures	(845,525)	(382,812)	(5,649)	(388,461)	457,064
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	845,525	845,525	262,414	1,107,939	262,414
Total other financing sources (uses)	845,525	845,525	262,414	1,107,939	262,414
Net change in fund balance	\$ -	\$ 462,713	256,765	\$ 719,478	\$ 719,478
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			462,713		
Fund balance at end of year			\$ 719,478		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SHELTON AVENUE MULTI-USE PATH**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 5,889	\$ (154)	\$ 5,735	\$ 5,735
Transportation Grant	603,000	-	-	-	(603,000)
Total revenues	603,000	5,889	(154)	5,735	(597,265)
<b>EXPENDITURES:</b>					
Transportation:					
Professional services	603,000	169,302	160,652	329,954	273,046
Right of way	150,750	-	-	-	150,750
Total expenditures	753,750	169,302	160,652	329,954	423,796
Revenues over (under) expenditures	(150,750)	(163,413)	(160,806)	(324,219)	(173,469)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	150,750	150,750	-	150,750	-
Total other financing sources (uses)	150,750	150,750	-	150,750	-
Net change in fund balance	\$ -	\$ (12,663)	(160,806)	\$ (173,469)	\$ (173,469)
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			(12,663)		
Fund balance at end of year			\$ (173,469)		

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MUNICIPAL SERVICE CENTER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 19,285	\$ (129)	\$ 19,156	\$ 19,156
Total revenues	-	19,285	(129)	19,156	19,156
<b>EXPENDITURES:</b>					
General government:					
Capital outlay	11,685,000	509,799	53	509,852	11,175,148
Total expenditures	11,685,000	509,799	53	509,852	11,175,148
Revenues over (under) expenditures	(11,685,000)	(490,514)	(182)	(490,696)	11,194,304
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
General Fund	685,000	685,000	-	685,000	-
Proceeds from debt	11,000,000	-	-	-	(11,000,000)
Total other financing sources (uses)	11,685,000	685,000	-	685,000	(11,000,000)
Net change in fund balance	\$ -	\$ 194,486	(182)	\$ 194,304	\$ 194,304
<b>FUND BALANCE:</b>					
Fund balance at beginning of year			194,486		
Fund balance at end of year			\$ 194,304		

**CITY OF STATESVILLE, NORTH CAROLINA  
BETHLEHEM ROAD CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
NCDOT	\$ 2,550,000	\$ -	\$ -	\$ -	\$ (2,550,000)
Investment earnings	-	53,835	(1,721)	52,114	52,114
Total revenues	2,550,000	53,835	(1,721)	52,114	(2,497,886)
EXPENDITURES:					
General government:					
Capital outlay	5,100,000	-	17,018	17,018	5,082,982
Total expenditures	5,100,000	-	17,018	17,018	5,082,982
Revenues over (under) expenditures	(2,550,000)	53,835	(18,739)	35,096	2,585,096
OTHER FINANCING SOURCES (USES):					
Transfers in:					
General Fund	2,550,000	2,550,000	-	2,550,000	-
Total other financing sources (uses)	2,550,000	2,550,000	-	2,550,000	-
Net change in fund balance	\$ -	\$ 2,603,835	(18,739)	\$ 2,585,096	\$ 2,585,096
FUND BALANCE:					
Fund balance at beginning of year			2,603,835		
Fund balance at end of year			\$ 2,585,096		

## ***ENTERPRISE FUNDS***

### ***MAJOR ENTERPRISE FUNDS***

**Airport Operating Fund** – accounts for the airport activities.

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

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

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

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

### ***ENTERPRISE PROJECT FUNDS***

**Airport Improvement Fund** – accounts for the airport capital expenditures.

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

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

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

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

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

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

**Electric AMI Capital Project Fund** – accounts for capital needs related to the AMI project within the City

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

**Water AMI Capital Project Fund** – accounts for capital needs related to the AMI project within the City

**Water and Sewer Infrastructure Capital Improvements Project** – accounts for the construction and capital needs for the City's Water and Sewer.

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**AIRPORT OPERATING FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
<b>REVENUES:</b>			
Operating revenues:			
Charges for services:			
Airport operations rental	\$ 215,000	\$ 149,780	\$ (65,220)
Iredell County director support	22,000	-	(22,000)
Hanger rental	500,000	560,806	60,806
Tie-downs	3,500	13,597	10,097
Office rent	2,400	-	(2,400)
Catering sales	-	130	130
Rental cars	-	469	469
Miscellaneous revenue	160,000	70,070	(89,930)
Fueling flow fees	125,000	172,130	47,130
Jet fuel sales	1,011,500	1,119,234	107,734
AVGAS fuel sales	283,100	272,717	(10,383)
Total operating revenues	2,322,500	2,358,933	36,433
Non-operating revenues:			
Interest on investments	1,500	119	(1,381)
Sale of capital assets	2,000	1,917	(83)
Total non-operating revenues	3,500	2,036	(1,464)
Total revenues	2,326,000	2,360,969	34,969
<b>EXPENDITURES:</b>			
Salaries and employee benefits	505,039	458,992	46,047
Operating expenditures	1,558,696	1,175,812	382,884
Capital outlay	80,965	77,125	3,840
Total	2,144,700	1,711,929	432,771
Principal and interest	137,500	88,955	48,545
Total	137,500	88,955	48,545
Total expenditures	2,282,200	1,800,884	481,316
Revenues over (under) expenditures	43,800	560,085	516,285
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out:			
Transfer to General Fund-PILOT	(43,800)	(43,800)	-
Total other financing sources (uses)	(43,800)	(43,800)	-

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**AIRPORT OPERATING FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>516,285</u>	<u>\$ 516,285</u>
From modified accrual revenues over expenditures			
Depreciation		(1,278,409)	
Capital outlay		77,125	
Change in accrued compensated absences		(8,365)	
OPEB payable		5,284	
Deferred outflow - OPEB		1,519	
Deferred inflow - OPEB		(5,933)	
Pension deferral outflow		10,637	
Increase in net pension liability		(25,521)	
Pension deferral inflow		315	
Project revenues		2,630,797	
Change in accrued interest		247	
Interest earnings from project funds		3,245	
Adjustment of previously written off debt		<u>(44,462)</u>	
Total reconciling items		<u>1,366,479</u>	
Change in net position		<u>\$ 1,882,764</u>	

**CITY OF STATESVILLE, NORTH CAROLINA**  
**AIRPORT IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

			Actual		
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ 102,983	\$ 110,558	\$ (1,002)	\$ 109,556	\$ 6,573
NCDOT land	1,368,560	1,368,561	-	1,368,561	1
Iredell County land	576,032	576,032	-	576,032	-
DOT grants	3,267,607	3,266,604	11,182	3,277,786	10,179
Iredell County	120,009	120,004	-	120,004	(5)
Total revenues	5,435,191	5,441,759	10,180	5,451,939	16,748
<b>EXPENDITURES:</b>					
Transportation:					
NCDOT Grant 36244.59.6.1	884,066	823,066	53,586	876,652	7,414
Land Acquisition-Hangers	1,120,483	1,120,482	-	1,120,482	1
Pad Design 36237.46.16.1	236,374	236,300	-	236,300	74
Contracted services	4,335,981	2,957,234	-	2,957,234	1,378,747
Total expenditures	6,576,904	5,137,082	53,586	5,190,668	1,386,236
Revenues over (under) expenditures	(1,141,713)	304,677	(43,406)	261,271	1,402,984
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in (out):					
From General Fund	1,288,477	1,288,477	-	1,288,477	-
To SE Parallel Lighting and Electrical	(100,000)	(100,000)	-	(100,000)	-
To Runway Safety Area CPF	(4,264)	(4,264)	-	(4,264)	-
To Glidescope CPF	(42,500)	(37,500)	(5,000)	(42,500)	-
Total other financing sources (uses)	1,141,713	1,146,713	(5,000)	1,141,713	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,451,390	\$ (48,406)	\$ 1,402,984	\$ 1,402,984

**CITY OF STATESVILLE, NORTH CAROLINA**  
**PARALLEL TAXIWAY PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 10,650,000	\$ 9,925,261	\$ 420,755	\$ 10,346,016	\$ (303,984)
Total revenues	10,650,000	9,925,261	420,755	10,346,016	(303,984)
<b>EXPENDITURES:</b>					
Transportation:					
Professional services	1,287,615	1,261,751	7,930	1,269,681	17,934
Traffic control	12,385	8,665	-	8,665	3,720
Contracted services	9,350,000	8,654,845	412,825	9,067,670	282,330
Total expenditures	10,650,000	9,925,261	420,755	10,346,016	303,984
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF STATESVILLE, NORTH CAROLINA**  
**GLIDESLOPE AND LOCALIZER PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 765,000	\$ 84,745	\$ 344,735	\$ 429,480	\$ (335,520)
Iredell County	42,500	-	4,723	4,723	(37,777)
Investment earnings	-	3,094	(18)	3,076	3,076
Total revenues	807,500	87,839	349,440	437,279	(370,221)
<b>EXPENDITURES:</b>					
Transportation:					
Contracted services	850,000	94,161	383,039	477,200	372,800
Total expenditures	850,000	94,161	383,039	477,200	372,800
Revenues over (under) expenditures	(42,500)	(6,322)	(33,599)	(39,921)	2,579
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in (out):					
From Airport Improvement Fund	42,500	37,500	5,000	42,500	-
Total other financing sources (uses)	42,500	37,500	5,000	42,500	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 31,178	\$ (28,599)	\$ 2,579	\$ 2,579

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SE PARALLEL LIGHTING AND ELECTRICAL VAULT PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

			Actual		
	Project	Prior	Current	Total	Variance
	Authorization	Years	Year	to Date	Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 1,800,000	\$ 117,084	\$ 29,951	\$ 147,035	\$ (1,652,965)
Iredell County	100,000	-	7,826	7,826	(92,174)
Total revenues	1,900,000	117,084	37,777	154,861	(1,745,139)
<b>EXPENDITURES:</b>					
Transportation:					
Professional services	163,166	127,753	31,558	159,311	3,855
Contracted services	1,836,834	2,340	1,722	4,062	1,832,772
Total expenditures	2,000,000	130,093	33,280	163,373	1,836,627
Revenues over (under) expenditures	(100,000)	(13,009)	4,497	(8,512)	91,488
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in (out):					
From Airport Improvement Fund	100,000	100,000	-	100,000	-
Total other financing sources (uses)	100,000	100,000	-	100,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 86,991	\$ 4,497	\$ 91,488	\$ 91,488

**CITY OF STATESVILLE, NORTH CAROLINA  
EAST CORPORATE AREA DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 4,362,600	\$ 294,872	\$ 259,395	\$ 554,267	\$ (3,808,333)
Total revenues	4,362,600	294,872	259,395	554,267	(3,808,333)
<b>EXPENDITURES:</b>					
Transportation:					
Professional services	457,461	291,927	161,188	453,115	4,346
Contracted services	3,905,139	2,945	98,207	101,152	3,803,987
Total expenditures	4,362,600	294,872	259,395	554,267	3,808,333
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF STATESVILLE, NORTH CAROLINA**  
**RUNWAY SAFETY AREA EXTENSION PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Restricted intergovernmental revenue:					
NCDOT Aviation Grant	\$ 9,376,759	\$ 524,598	\$ 1,552,230	\$ 2,076,828	\$ (7,299,931)
Iredell County	4,265	-	4,265	4,265	-
Total revenues	9,381,024	524,598	1,556,495	2,081,093	(7,299,931)
<b>EXPENDITURES:</b>					
Transportation:					
Professional services	1,876,892	527,963	440,393	968,356	908,536
Contracted services	7,508,396	3,560	1,113,441	1,117,001	6,391,395
Total expenditures	9,385,288	531,523	1,553,834	2,085,357	7,299,931
Revenues over (under) expenditures	(4,264)	(6,925)	2,661	(4,264)	-
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in (out):					
From Airport Improvement Fund	4,264	4,264	-	4,264	-
Total other financing sources (uses)	4,264	4,264	-	4,264	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (2,661)	\$ 2,661	\$ -	\$ -



**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**ELECTRIC FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
<b>REVENUES:</b>			
Operating revenues:			
Electric sales	\$ 43,364,950	\$ 45,226,021	\$ 1,861,071
Other operating revenues	1,540,250	1,428,498	(111,752)
Total operating revenues	44,905,200	46,654,519	1,749,319
Non-operating revenues:			
Interest on investments	240,000	(2,470)	(242,470)
Working capital distribution	-	8,873,592	8,873,592
Miscellaneous revenue	15,000	575,350	560,350
Sale of capital assets	-	8,214	8,214
Handling charge bad check	5,000	3,725	(1,275)
Insurance proceeds	-	9,659	9,659
Sale of material & labor	25,000	42,553	17,553
Airport repayment of loan	137,500	88,955	(48,545)
Bad debt recovery	50,000	59,831	9,831
Total non-operating revenues	472,500	9,659,409	9,186,909
Total revenues	45,377,700	56,313,928	10,936,228
<b>EXPENDITURES:</b>			
Salaries and employee benefits	3,548,353	3,342,858	205,495
Electrical power purchases	35,631,750	34,525,297	1,106,453
Professional services	464,061	340,001	124,060
Operating expenditures	2,451,468	2,131,567	319,901
Capital outlay	7,896,274	6,489,586	1,406,688
Total expenditures	49,991,906	46,829,309	3,162,597
Revenues over (under) expenditures	(4,614,206)	9,484,619	14,098,825
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers and Advances (out):			
Transfer to General Fund - PILOT	(135,245)	(135,245)	-
Transfer to other funds	(5,745,500)	(5,745,000)	500
Fund balance appropriated	10,494,951	-	(10,494,951)
Total other financing sources (uses)	4,614,206	(5,880,245)	(10,494,451)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,604,374	\$ 3,604,374

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**ELECTRIC FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

From modified accrual revenues over expenditures	\$ 3,604,374
Depreciation	(1,584,159)
Capital outlay	6,489,586
Change in accrued compensated absences	913
OPEB liability	42,275
Deferred outflow of resources - OPEB	12,146
Deferred inflow of resources - OPEB	(47,461)
Pension deferral outflow	85,093
Increase in net pension liability	(204,169)
Pension deferral inflow	2,519
Interest earnings from project funds	1,341
Intrafund transfers	5,745,000
Collection of previously written off debt	141,970
Total reconciling items	10,685,054
Change in net position	<u>\$ 14,289,428</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**ELECTRIC UTILITY CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project	Prior	Actual	Total	Variance
	Authorization	Years	Current	to Date	Over/Under
			Year		
REVENUES:					
Investment earnings	\$ 100,000	\$ 311,800	\$ -	\$ 311,800	\$ 211,800
Total revenues	100,000	311,800	-	311,800	211,800
Revenues over (under) expenditures	100,000	311,800	-	311,800	211,800
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Electric Stabilization Fund	199,500	199,500	-	199,500	-
Electric Fund	900,000	2,039,424	-	2,039,424	1,139,424
Transfers out:					
Electric Fund	(1,199,500)	(302,243)	-	(302,243)	897,257
Total other financing sources (uses)	(100,000)	1,936,681	-	1,936,681	2,036,681
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 2,248,481	\$ -	\$ 2,248,481	\$ 2,248,481

**CITY OF STATESVILLE, NORTH CAROLINA**  
**ELECTRIC AMI CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
REVENUES:					
Investment earnings	\$ -	\$ -	\$ 1,341	\$ 1,341	\$ 1,341
Total revenues	-	-	1,341	1,341	1,341
EXPENDITURES:					
Professional services	2,535,000	-	1,678,702	1,678,702	856,298
Total expenditures	2,535,000	-	1,678,702	1,678,702	856,298
Revenues over (under) expenditures	(2,535,000)	-	(1,677,361)	(1,677,361)	857,639
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Electric Stabilization Fund	-	-	-	-	-
Electric Fund	2,535,000	-	2,535,000	2,535,000	-
Total other financing sources (uses)	2,535,000	-	2,535,000	2,535,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 857,639	\$ 857,639	\$ 857,639

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**WATER AND SEWER FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
<b>REVENUES:</b>			
Operating revenues:			
Charges for services:			
Water sales	\$ 4,500,621	\$ 4,718,787	\$ 218,166
Sewer charges	6,743,639	7,227,564	483,925
Other operating revenue	86,200	443,218	357,018
Water and Sewer System Development fees	552,617	657,257	104,640
Total operating revenues	11,883,077	13,046,826	1,163,749
Non-operating revenues:			
Interest on investments	125,000	(9,414)	(134,414)
Sale of capital assets	5,000	1,232	(3,768)
Misc. revenue	5,000	-	(5,000)
Total non-operating revenues	135,000	(8,182)	(143,182)
Total revenues	12,018,077	13,038,644	1,020,567
<b>EXPENDITURES:</b>			
Sewer collection line maintenance:			
Salaries and employee benefits	471,399	399,640	71,759
Professional services	9,000	4,045	4,955
Operating expenditures	303,348	187,660	115,688
Capital outlay	1,237,882	61,360	1,176,522
Total	2,021,629	652,705	1,368,924
Water distribution line maintenance:			
Salaries and employee benefits	1,061,979	959,566	102,413
Professional services	7,500	5,715	1,785
Operating expenditures	317,331	271,465	45,866
Capital outlay	3,278,761	259,194	3,019,567
Total	4,665,571	1,495,940	3,169,631
Water purification:			
Salaries and employee benefits	945,756	849,360	96,396
Professional services	30,094	33,981	(3,887)
Operating expenditures	1,997,674	2,029,737	(32,063)
Capital outlay	69,800	61,729	8,071
Total	3,043,324	2,974,807	68,517
Waste water treatment - Third Creek:			
Salaries and employee benefits	495,113	491,874	3,239
Professional services	42,676	21,002	21,674
Operating expenditures	638,252	527,948	110,304
Capital outlay	21,500	20,100	1,400
Total	1,197,541	1,060,924	136,617
Waste water treatment - Fourth Creek:			
Salaries and employee benefits	947,929	940,143	7,786
Professional services	123,006	86,140	36,866
Operating expenditures	2,147,760	1,866,181	281,579
Capital outlay	988,660	221,411	767,249
Total	4,207,355	3,113,875	1,093,480

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**WATER AND SEWER FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
Principal and interest	2,617,771	2,617,770	1
Total	2,617,771	2,617,770	1
Total expenditures	17,753,191	11,916,021	5,837,170
Revenues over (under) expenditures	(5,735,114)	1,122,623	6,857,737
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in (out):			
Water and Sewer Capital Reserve	(660,614)	(660,614)	-
Transfer to General Fund - PILOT	(363,914)	(364,184)	(270)
Water Capital Project Fund	(1,000,000)	(1,000,000)	-
Debt Proceeds	275,000	-	(275,000)
Water and Sewer Capital Reserve	2,663,923	1,330,524	(1,333,399)
Fund balance appropriated	4,820,719	-	(4,820,719)
Total other financing sources (uses)	5,735,114	(694,274)	(6,429,388)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	428,349	\$ 428,349
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Depreciation		(3,799,955)	
Capital outlay		623,794	
Long-term debt principal		2,192,526	
Accrued interest expense		(48,487)	
Change in accrued compensated absences		11,540	
Increase in deferred outflows of resources - pensions		138,275	
Increase in net pension liability		(331,774)	
Decrease in deferred inflows of resources - pensions		4,093	
Deferred outflow of resources - OPEB		19,736	
Deferred inflow of resources - OPEB		(77,124)	
OPEB liability		68,698	
Intrafund transfers		330,090	
Interest earnings from water and sewer project funds		215	
Adjustment of previously written off debt		51,118	
Total reconciling items		(817,255)	
Change in net position		\$ (388,906)	

**CITY OF STATESVILLE, NORTH CAROLINA**  
**WATER AND SEWER CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

			Actual		
	Project	Prior	Current	Total	Variance
	Authorization	Years	Year	to Date	Over/Under
REVENUES:					
Services - Water SDF	\$ -	\$ 308,223	\$ 142,131	\$ 450,354	\$ 450,354
Services - Sewer SDF	-	1,022,301	518,483	1,540,784	1,540,784
Investment earnings	-	131,208	(2,012)	129,196	129,196
Total revenues	-	1,461,732	658,602	2,120,334	2,120,334
OTHER FINANCING SOURCES (USES):					
Transfers in:					
Closed WSF Capital Reserve Fund	6,666,665	6,666,664	-	6,666,664	(1)
Transfers out:					
Other system improvements	(252,438)	-	-	-	252,438
Transfer to Water System	(1,275,823)	(967,600)	(308,223)	(1,275,823)	-
Transfer to Sewer System	(5,138,404)	(4,116,103)	(1,022,301)	(5,138,404)	-
Total other financing sources (uses)	-	1,582,961	(1,330,524)	252,437	252,437
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,044,693	\$ (671,922)	\$ 2,372,771	\$ 2,372,771

**CITY OF STATESVILLE, NORTH CAROLINA**  
**WATER AND SEWER INFRASTRUCTURE CAPITAL IMPROVEMENTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ -	\$ (851)	\$ (851)	\$ (851)
Total revenues	-	-	(851)	(851)	(851)
<b>EXPENDITURES:</b>					
Economic and Physical Development:					
Debt issuance costs	-	-	5,900	5,900	(5,900)
Capital outlay - professional services	6,000,000	-	1,543,541	1,543,541	4,456,459
Total expenditures	6,000,000	-	1,549,441	1,549,441	4,450,559
Revenues over (under) expenditures	(6,000,000)	-	(1,550,292)	(1,550,292)	4,449,708
<b>OTHER FINANCING SOURCES (USES):</b>					
Debt proceeds	6,000,000	-	5,000,000	5,000,000	(1,000,000)
Total other financing sources (uses)	6,000,000	-	5,000,000	5,000,000	(1,000,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 3,449,708	\$ 3,449,708	\$ 3,449,708



**CITY OF STATESVILLE, NORTH CAROLINA**  
**WATER AMI CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Fiscal Year Ended JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ -	\$ 3,078	\$ 3,078	\$ 3,078
Total revenues	-	-	3,078	3,078	3,078
<b>EXPENDITURES:</b>					
Economic and Physical Development:					
Capital outlay - professional services	4,210,000	-	1,747,384	1,747,384	2,462,616
Total expenditures	4,210,000	-	1,747,384	1,747,384	2,462,616
Revenues over (under) expenditures	(4,210,000)	-	(1,744,306)	(1,744,306)	2,465,694
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in:					
Electric Fund	3,210,000	-	3,210,000	3,210,000	-
Water and Sewer Operating Fund	1,000,000	-	1,000,000	1,000,000	-
Total other financing sources (uses)	4,210,000	-	4,210,000	4,210,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 2,465,694	\$ 2,465,694	\$ 2,465,694

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**STORMWATER FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
REVENUES:			
Operating revenues:			
Charges for services:			
Fees	\$ 1,850,000	\$ 2,187,515	\$ 337,515
Total operating revenues	1,850,000	2,187,515	337,515
Non-operating revenues:			
Interest on investments	1,000	(195)	(1,195)
Total non-operating revenues	1,000	(195)	(1,195)
Total revenues	1,851,000	2,187,320	336,320
EXPENDITURES:			
Salaries and employee benefits	352,989	298,757	54,232
Operating expenditures	1,359,137	977,055	382,082
Capital outlay	811,621	595,717	215,904
Total expenditures	2,523,747	1,871,529	652,218
Revenues over (under) expenditures	(672,747)	315,791	988,538
OTHER FINANCING SOURCES (USES):			
Fund balance appropriated	282,747	-	(282,747)
Debt proceeds	390,000	-	(390,000)
Total other financing sources (uses)	672,747	-	(672,747)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	315,791	\$ 315,791
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Depreciation		(42,836)	
Capital outlay		595,717	
Change in accrued compensated absences		(6,022)	
Increase in deferred outflows of resources - pensions		10,637	
Decrease in deferred inflows of resources - pensions		315	
Increase in net pension liability		(25,521)	
Deferred outflow of resources - OPEB		1,519	
Deferred inflow of resources - OPEB		(5,933)	
OPEB liability		(11,336)	
Total reconciling items		516,540	
Change in net position		\$ 832,331	

**CITY OF STATESVILLE, NORTH CAROLINA**  
**MAJOR ENTERPRISE FUND**  
**CIVIC CENTER FUND - SCHEDULE OF**  
**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
<b>REVENUES:</b>			
Operating revenues:			
Charges for services:			
Fees	\$ 243,750	\$ 88,754	\$ (154,996)
Total operating revenues	243,750	88,754	(154,996)
Non-operating revenues:			
Interest on investments	10,000	(2,300)	(12,300)
Total non-operating revenues	10,000	(2,300)	(12,300)
Total revenues	253,750	86,454	(167,296)
<b>EXPENDITURES:</b>			
Salaries and employee benefits	565,989	432,491	133,498
Operating expenditures	419,229	228,131	191,098
Capital outlay	288,804	70,113	218,691
Total expenditures	1,274,022	730,735	543,287
Total revenues over (under) expenditures	(1,020,272)	(644,281)	375,991
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in:			
Occupancy Tax Fund	592,500	690,471	97,971
Transfers out:			
Transfer to General Fund - PILOT	(27,454)	(27,454)	-
Fund balance appropriated	455,226	-	(455,226)
Total other financing sources (uses)	1,020,272	663,017	(357,255)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	18,736	\$ 18,736
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Depreciation		(141,653)	
Capital outlay		70,113	
Change in accrued compensated absences		517	
Increase in deferred outflows of resources - pensions		21,273	
Decrease in deferred inflows of resources - pensions		630	
Increase in net pension liability		(51,042)	
Deferred outflow of resources - OPEB		3,035	
Deferred inflow of resources - OPEB		(11,865)	
OPEB liability		10,569	
Total reconciling items		(98,423)	
Change in net position		\$ (79,687)	

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## ***INTERNAL SERVICE FUNDS***

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

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

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**RISK MANAGEMENT FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Risk Management Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,628,483
Accounts receivables, net	192
Prepaid stop loss insurance	<u>1,367</u>
Total assets	<u>3,630,042</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	452,915
Accrued IBNR health	363,000
Accrued IBNR worker's compensation	<u>282,281</u>
Total liabilities	<u>1,098,196</u>
<b>NET POSITION</b>	<u><u>\$ 2,531,846</u></u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**RISK MANAGEMENT FUND**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Risk Management Fund
Operating revenues:	
Employer's contributions-property and liability	\$ 1,231,951
Employer's contributions-health benefits	5,094,673
Employee's contributions health	659,060
Employee's contributions dental	66,397
	<u>7,052,081</u>
Total operating revenues	
Operating expenses:	
Health, dental claims, and wellness program	4,378,681
Health third party administration	100,530
Health stop loss insurance	625,315
	<u>5,104,526</u>
Total health expenses	
Worker's compensation claims	292,241
Administration and professional services	24,442
Worker's compensation stop loss insurance	73,686
Property and liability insurance	524,577
Property and liability claims	124,917
	<u>1,039,863</u>
Total property and liability expenses	
Total operating expenses	<u>6,144,389</u>
Total operating income (loss)	<u>907,692</u>
Non-operating income:	
Investment income	1,130
	<u>1,130</u>
Change in net position	908,822
Net position, beginning of year (deficit)	<u>1,623,024</u>
Net position, end of year	<u><u>\$ 2,531,846</u></u>



**CITY OF STATESVILLE, NORTH CAROLINA**  
**RISK MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Financial Plan	Actual	Variance Over/Under
<b>REVENUES:</b>			
Operating revenues:			
Employer's contributions-property and liability	\$ 1,231,950	\$ 1,231,951	\$ 1
Employer's contributions - health benefits	5,880,000	5,094,673	(785,327)
Employee's contributions - health and dental	869,000	659,060	(209,940)
Contributions from retired employees and COBRA	110,000	66,397	(43,603)
Total operating revenues	8,090,950	7,052,081	(1,038,869)
Non-operating revenues:			
Investment earnings	15,000	1,130	(13,870)
Total revenues	8,105,950	7,053,211	(1,052,739)
<b>EXPENDITURES:</b>			
Operating expenditures:			
Operating health expenditures:			
Health, dental claims, and wellness program	5,829,650	4,351,730	1,477,920
Health third party administration	140,600	100,530	40,070
Health stop loss insurance	627,000	625,315	1,685
Aggregate corridor	273,400	-	273,400
Total health expenditures	6,870,650	5,077,575	1,793,075
Operating property and liability expenditures:			
Appraisals	44,000	-	44,000
Worker's compensation claims	415,800	292,241	123,559
Administration and professional services	34,000	24,442	9,558
Worker's compensation stop-loss insurance	77,000	73,686	3,314
Property and liability insurance	527,000	524,577	2,423
Property and liability claims	137,500	124,917	12,583
Total property and liability expenditures	1,235,300	1,039,863	195,437
Total expenditures	8,105,950	6,117,438	1,988,512
Revenues over (under) expenditures	\$ -	935,773	\$ 935,773
Reconciliation from financing plan (modified accrual) to full accrual:			
Decrease in incurred claims but not reported (IBNR)		(26,951)	
Change in net position		\$ 908,822	

**CITY OF STATESVILLE, NORTH CAROLINA**  
**RISK MANAGEMENT FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Risk Management Fund
Cash flows from operating activities:	
Cash received from employer and employees	\$ 7,059,864
Cash paid for claims and insurance	(5,873,759)
Net cash (used) by operating activities	<u>1,186,105</u>
Cash flows from investing activities operating activities:	
Interest on investments and miscellaneous	<u>1,130</u>
Net (decrease) in cash and cash equivalents	1,187,235
Cash and cash equivalents:	
Beginning of year, July 1	<u>2,441,248</u>
End of year, June 30	<u><u>\$ 3,628,483</u></u>
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating Income (loss)	\$ 907,692
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	7,783
Increase (decrease) in accounts payable	243,679
Increase (decrease) in IBNR - health	20,890
Increase (decrease) in IBNR - worker's compensation	<u>6,061</u>
Net cash (used) by operating activities	<u><u>\$ 1,186,105</u></u>

## ***ADDITIONAL FINANCIAL DATA***

This section contains additional information on property taxes.

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

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**CITY OF STATESVILLE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**GENERAL FUND - CITY-WIDE**  
**JUNE 30, 2021**

<u>Tax Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
Tax and Tag	\$ -	\$ 1,358,215	\$ 1,358,215	\$ -
2020	-	17,246,149	17,084,793	161,356
2019	178,634	-	111,762	66,872
2018	71,051	-	23,429	47,622
2017	43,592	-	14,271	29,321
2016	39,074	-	10,265	28,809
2015	21,242	-	4,416	16,826
2014	28,687	-	3,570	25,117
2013	37,522	-	3,495	34,027
2012	48,417	-	3,579	44,838
2011	48,303	-	3,829	44,474
2010	43,691	-	43,691	-
Total	<u>\$ 560,213</u>	<u>\$ 18,604,364</u>	<u>\$ 18,665,315</u>	499,262
				<u>Less allowance for uncollectible accounts - city-wide</u>
				457,198
Ad valorem taxes receivable, net				<u>\$ 42,064</u>
RECONCILIATION TO REVENUES:				
Ad valorem taxes-city-wide				\$ 18,710,902
Reconciling items:				
Taxes written off				43,691
Penalties and interest				<u>(89,278)</u>
Total collections and credits				<u>\$ 18,665,315</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE-**  
**GENERAL FUND - DOWNTOWN STATESVILLE SPECIAL TAX DISTRICT**  
**JUNE 30, 2021**

<u>Tax Year</u>	<u>Uncollected Balance City-Wide</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance Registered</u>
Tax and Tag	\$ -	\$ 6,844	\$ 6,844	\$ -
2020	-	98,178	96,592	1,586
2019	1,651	-	794	857
2018	705	-	60	645
2017	316	-	244	72
2016	56	-	5	51
2015	72	-	36	36
2014	111	-	33	78
2013	262	-	33	229
2012	266	-	33	233
2011	677	-	99	578
2010	171	-	171	-
	<u>\$ 4,287</u>	<u>\$ 105,022</u>	<u>\$ 104,944</u>	\$ 4,365
				<u>4,039</u>
				<u>\$ 326</u>
RECONCILIATION TO REVENUES:				
				\$ 104,773
Reconciling items:				
Write-off				<u>171</u>
				<u>\$ 104,944</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE-**  
**GENERAL FUND - WOODS DAM TAX DISTRICT**  
**JUNE 30, 2021**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
Tax and Tag	\$ -	\$ 762	\$ 762	\$ -
2020	-	4,064	4,064	-
	<u>\$ -</u>	<u>\$ 4,826</u>	<u>\$ 4,826</u>	<u>\$ -</u>
RECONCILIATION TO REVENUES:				
	Ad valorem taxes - downtown			\$ 4,826
Reconciling items:				
	None			-
	Total collections and credits			<u>\$ 4,826</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**GENERAL FUND - CITY-WIDE LEVY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

				Total Levy	
	Property Valuation	City-Wide Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>ORIGINAL LEVY:</b>					
Property taxed at current year's rate	\$ 3,121,556,970	\$ 0.5478	\$ 17,099,889	\$ 17,099,889	\$ -
Tax and tag	247,939,945		1,358,215	-	1,358,215
Penalties	17,078,509		93,556	93,556	
<b>TOTAL ORIGINAL LEVY</b>	<b>3,386,575,424</b>		<b>18,551,660</b>	<b>17,193,445</b>	<b>1,358,215</b>
<b>DISCOVERIES:</b>					
Current year rate and taxes	11,555,674	0.5478	63,302	63,302	-
Penalties	873,583		4,785	4,785	-
<b>TOTAL DISCOVERIES</b>	<b>12,429,257</b>		<b>68,087</b>	<b>68,087</b>	<b>-</b>
<b>RELEASES/TAX AND TAG UNCOLLECTED:</b>					
Current year rate	(2,769,474)	0.5478	(15,171)	(15,171)	
Penalties	(38,700)		(212)	(212)	-
<b>TOTAL RELEASES</b>	<b>(2,808,174)</b>		<b>(15,383)</b>	<b>(15,383)</b>	<b>-</b>
Net assessed valuation	<u><u>\$ 3,396,196,507</u></u>				
Net levy			18,604,364	17,246,149	1,358,215
Uncollected taxes , June 30			(161,356)	(161,356)	-
Current year's taxes collected			<u><u>\$ 18,443,008</u></u>	<u><u>\$ 17,084,793</u></u>	<u><u>\$ 1,358,215</u></u>
Current levy collection percentage rate			<u><u>99.13%</u></u>	<u><u>99.06%</u></u>	<u><u>100.00%</u></u>



**CITY OF STATESVILLE, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**GENERAL FUND - DOWNTOWN STATESVILLE SPECIAL TAX DISTRICT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

				Total Levy	
	Property Valuation	City-Wide Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>ORIGINAL LEVY:</b>					
Property taxed at current year's rate	\$ 97,167,270	\$ 0.1000	\$ 97,167	\$ 97,167	\$ -
Tax and tag	6,843,610		6,844	-	6,844
Penalties	185,380		185	185	-
<b>TOTAL ORIGINAL LEVY</b>	<b>104,196,260</b>		<b>104,196</b>	<b>97,352</b>	<b>6,844</b>
<b>DISCOVERIES:</b>					
Current year rate and taxes	802,680	0.1000	803	803	-
Penalties	52,800		53	53	-
<b>TOTAL DISCOVERIES</b>	<b>855,480</b>		<b>856</b>	<b>856</b>	<b>-</b>
<b>RELEASES/TAX AND TAG UNCOLLECTED:</b>					
Current year rate	(30,570)	0.1000	(30)	(30)	-
<b>TOTAL RELEASES</b>	<b>(30,570)</b>		<b>(30)</b>	<b>(30)</b>	<b>-</b>
Net assessed valuation	<u>\$ 105,021,170</u>				
Net levy			105,022	98,178	6,844
Uncollected taxes , June 30			(1,586)	(1,586)	-
Current year's taxes collected			<u>\$ 103,436</u>	<u>\$ 96,592</u>	<u>\$ 6,844</u>
Current levy collection percentage rate			<u>98.49%</u>	<u>98.38%</u>	<u>100.00%</u>

**CITY OF STATESVILLE, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**GENERAL FUND - WOODS DAM TAX DISTRICT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	City-Wide			Total Levy	
	Property Valuation	Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 1,935,145	\$ 0.2100	\$ 4,064	\$ 4,064	\$ -
Tax and tag	362,948		762	-	762
<b>TOTAL ORIGINAL LEVY</b>	<b>2,298,093</b>		<b>4,826</b>	<b>4,064</b>	<b>762</b>
Net assessed valuation	<u>\$ 2,298,093</u>				
Net levy			4,826	4,064	762
Uncollected taxes , June 30			-	-	-
Current year's taxes collected			<u>\$ 4,826</u>	<u>\$ 4,064</u>	<u>\$ 762</u>
Current levy collection percentage rate			<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

## ***STATISTICAL SECTION***

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

<b>Contents</b>	<b>Page</b>
Financial Trends	125
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	135
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. The City's other major local revenue sources are its utility revenues of which the Electric Utilities revenues are the largest.	
Debt Capacity	148
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	152
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	154
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Governmental activities</b>					
Net investment in capital assets	\$ 66,160,070	\$ 67,394,632	\$ 68,264,801	\$ 69,891,335	\$ 42,754,217
Restricted for:					
Stabilization by state statute	5,565,574	5,124,143	6,282,769	4,314,762	4,644,547
Public safety	337,206	77,821	60,645	41,341	81,519
Transportation	1,332,646	771,303	1,315,672	1,248,014	-
Economic development	324,831	353,599	444,247	574,665	712,686
Debt service	-	293,653	61,249	-	-
Capital outlay	6,470,958	5,144,063	3,659,885	2,111,528	-
Unrestricted	19,242,685	21,397,924	21,496,485	21,477,035	23,243,436
Total governmental activities net position	99,433,970	100,557,138	101,585,753	99,658,680	71,436,405
<b>Business-type activities</b>					
Net investment in capital assets	65,215,357	65,470,169	67,271,906	66,336,798	93,781,157
Unrestricted	35,113,541	35,885,077	33,761,094	34,680,765	39,268,053
Total business-type activities net position	100,328,898	101,355,246	101,033,000	101,017,563	133,049,210
<b>Primary government</b>					
Net investment in capital assets	131,375,427	132,864,801	135,536,707	136,228,133	136,535,374
Restricted for:					
Stabilization by state statute	5,565,574	5,124,143	6,282,769	4,314,762	4,644,547
Public Safety	1,332,646	771,303	1,315,672	1,248,014	-
Transportation	337,206	77,821	60,645	41,341	81,519
Economic development	324,831	353,599	444,247	574,665	712,686
Debt service	-	293,653	61,249	-	-
Capital projects	6,470,958	5,144,063	3,659,885	2,111,528	-
Unrestricted	54,356,226	57,283,001	55,257,579	56,157,800	62,511,489
Total governmental activities net position	<u>\$ 199,762,868</u>	<u>\$ 201,912,384</u>	<u>\$ 202,618,753</u>	<u>\$ 200,676,243</u>	<u>\$ 204,485,615</u>

**Notes:**

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

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Governmental activities</b>					
Net investment in capital assets	\$ 42,692,332	\$ 42,995,778	\$ 43,150,694	\$ 44,371,100	\$ 44,053,530
Restricted for:					
Stabilization by state statute	5,704,049	5,700,026	5,256,108	5,584,027	7,153,193
Public safety	77,659	130,789	185,262	242,217	288,828
Transportation	-	-	-	148,823	733,308
Economic development	1,096,183	1,163,602	1,352,217	298,784	306,045
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	20,066,688	17,517,629	18,370,763	20,128,176	23,203,719
Total governmental activities net position	69,636,911	67,507,824	68,315,044	70,773,127	75,738,623
<b>Business-type activities</b>					
Net investment in capital assets	93,846,256	99,648,841	111,057,267	118,458,550	129,328,066
Unrestricted	43,182,876	44,719,257	48,562,431	57,410,031	63,303,651
Total business-type activities net position	137,029,132	144,368,098	159,619,698	175,868,581	192,631,717
<b>Primary government</b>					
Net investment in capital assets	136,538,588	142,644,619	154,207,961	162,829,650	173,381,596
Restricted for:					
Stabilization by state statute	5,704,049	5,700,026	5,256,108	5,584,027	7,153,193
Public Safety	77,659	130,789	185,262	242,217	288,828
Transportation	-	-	-	148,823	733,308
Economic development	1,096,183	1,163,602	1,352,217	298,784	306,045
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Unrestricted	63,249,564	62,236,886	66,933,194	77,538,207	86,507,370
Total governmental activities net position	\$ 206,666,043	\$ 211,875,922	\$ 227,934,742	\$ 246,641,708	\$ 268,370,340

**Notes:**

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

Table 2

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Expenses by Functions/Programs</b>					
<b>Governmental Activities:</b>					
General government	\$ 3,274,004	\$ 3,240,212	\$ 3,432,347	\$ 3,254,999	\$ 3,479,866
Public safety	11,994,709	12,299,585	12,410,000	12,398,238	12,234,390
Transportation	3,468,402	3,540,251	4,246,210	4,345,239	2,851,130
Economic and physical development	965,655	1,332,542	947,827	750,760	931,213
Environmental protection	2,130,549	1,846,780	1,715,643	1,978,958	1,675,871
Cultural and recreation	3,417,745	3,481,787	3,354,153	3,594,906	3,506,190
Interest on long-term debt	352,859	306,561	264,534	212,823	179,568
Subtotal governmental activities	25,603,923	26,047,718	26,370,714	26,535,923	24,858,228
<b>Business-Type Activities:</b>					
Airport	-	-	-	-	1,786,329
Electric	41,532,781	44,304,027	44,792,998	46,952,145	44,245,966
Water and sewer	9,502,048	9,389,629	11,696,188	9,713,190	10,332,082
Stormwater	-	-	-	-	-
Civic Center	848,125	948,560	997,238	999,189	968,734
Subtotal business-type activities	51,882,954	54,642,216	57,486,424	57,664,524	57,333,111
Total primary government expenses	\$ 77,486,877	\$ 80,689,934	\$ 83,857,138	\$ 84,200,447	\$ 82,191,339
<b>Program Revenues by Functions</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General government	\$ 379,335	\$ -	\$ 46,977	\$ 355,432	\$ 66,083
Public safety	198,223	308,753	336,183	342,107	75,220
Transportation	322,757	678,516	791,434	-	49,846
Economic and physical development	-	802,655	45	-	981,530
Environmental protection	288,090	448,057	165,632	162,236	170,160
Cultural and recreation	831,655	820,940	819,739	836,284	732,620
Operating grants and contributions	501,593	834,006	615,180	345,739	596,907
Capital grants and contributions	1,493,194	2,103,132	946,690	1,240,320	748,401
Total governmental activities program activities	4,014,847	5,996,059	3,721,880	3,282,118	3,420,767
<b>Business-Type Activities:</b>					
Charges for Services:					
Airport	-	-	-	-	559,951
Electric	41,334,097	44,989,787	47,531,836	47,646,058	46,939,813
Water and sewer	8,973,284	9,464,072	9,468,112	10,033,066	10,782,047
Stormwater	-	-	-	-	-
Civic Center	254,004	259,388	294,701	299,535	333,067
Operating grants and contributions	560,534	977,497	13,400	-	363,177
Capital grants and contributions	-	-	-	-	29,126,802
Total business-type activities	51,121,919	55,690,744	57,308,049	57,978,659	88,104,857
Total primary government program revenues	\$ 55,136,766	\$ 61,686,803	\$ 61,029,929	\$ 61,260,777	\$ 61,260,777

Table 2 (cont'd)

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Expenses by Functions/Programs</b>					
<b>Governmental Activities:</b>					
General government	\$ 3,882,072	\$ 4,852,052	\$ 4,754,090	\$ 4,220,031	\$ 4,278,317
Public safety	13,338,272	14,896,715	15,031,704	17,029,794	18,258,094
Transportation	3,337,451	4,174,148	3,747,862	2,733,505	2,984,827
Economic and physical development	427,733	768,400	432,903	264,074	585,090
Environmental protection	1,951,510	2,080,218	1,975,892	2,083,415	2,254,359
Cultural and recreation	3,871,413	3,871,242	4,124,134	3,989,425	4,165,631
Interest on long-term debt	145,274	110,981	76,688	82,483	41,115
Subtotal governmental activities	26,953,725	30,753,756	30,143,273	30,402,727	32,567,433
<b>Business-Type Activities:</b>					
Airport	1,931,556	1,476,536	2,156,005	3,129,855	3,059,359
Electric	44,955,862	44,792,998	42,392,127	41,112,400	41,959,860
Water and sewer	11,108,611	11,696,188	11,912,217	12,829,316	12,945,434
Stormwater	-	-	-	857,177	1,345,901
Civic Center	970,233	997,238	1,047,354	1,288,350	810,981
Subtotal business-type activities	58,966,262	58,962,960	57,507,703	59,217,098	60,121,535
Total primary government expenses	\$ 85,919,987	\$ 89,716,716	\$ 87,650,976	\$ 89,619,825	\$ 92,688,968
<b>Program Revenues by Functions</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General government	\$ 44,698	\$ 59,766	\$ 59,818	\$ 82,695	\$ 68,667
Public safety	299,242	233,553	235,867	326,367	488,927
Transportation	43,506	1,440	-	-	-
Economic and physical development	981	1,089,283	1,150,853	935,586	885,917
Environmental protection	1,139,748	1,323,456	1,190,996	1,217,182	1,246,153
Cultural and recreation	793,362	736,888	693,180	534,055	529,277
Operating grants and contributions	1,364,069	285,478	698,158	790,583	1,794,790
Capital grants and contributions	838,388	851,559	736,939	732,263	697,582
Total governmental activities program activities	4,523,994	4,581,423	4,765,811	4,618,731	5,711,313
<b>Business-Type Activities:</b>					
Charges for Services:					
Airport	434,999	651,771	1,237,368	2,128,442	2,360,850
Electric	48,232,363	48,739,947	50,840,214	52,805,912	56,458,368
Water and sewer	11,265,287	11,358,956	12,293,534	12,318,584	13,048,058
Stormwater	-	-	-	2,014,741	2,187,515
Civic Center	341,243	318,216	327,944	262,408	88,754
Operating grants and contributions	-	211,467	-	-	-
Capital grants and contributions	2,158,958	4,996,623	6,777,290	3,891,131	2,630,797
Total business-type activities	62,432,850	66,276,980	71,476,350	73,421,218	76,774,342
Total primary government program revenues	\$ 66,956,844	\$ 70,858,403	\$ 76,242,161	\$ 78,039,949	\$ 82,485,655

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental Activities:</b>					
Taxes					
Ad valorem taxes	\$ 11,316,717	\$ 12,144,774	\$ 12,329,641	\$ 12,252,525	\$ 12,130,575
Local sales tax option	5,105,479	5,269,457	5,491,152	6,016,074	6,283,073
Other taxes	1,321,032	809,850	1,626,638	3,284,650	45,347
Unrestricted intergovernmental revenues	2,116,304	2,608,519	2,316,788	681,625	2,932,832
Interest earned on investments	263,126	(149,740)	311,881	150,345	179,616
Miscellaneous	195,157	238,313	175,411	591,938	14,405
Transfers in (out)	(157,608)	253,654	1,425,938	190,752	(30,110,127)
Total governmental activities	20,160,207	21,174,827	23,677,449	23,167,909	(8,524,279)
<b>Business-Type Activities:</b>					
Interest earned on investments	256,414	(103,514)	375,522	223,891	276,576
Miscellaneous	448,497	334,988	-	113,439	-
Transfer in (out)	157,608	(253,654)	(1,425,938)	(190,752)	983,325
Total business-type activities	862,519	(22,180)	(1,050,416)	146,578	1,259,901
Total primary government	21,022,726	21,152,647	22,627,033	23,314,487	(7,264,378)
<b>Changes in Net Position</b>					
Governmental activities	108,548	1,123,168	23,677,449	(85,896)	(30,107,282)
Business-type activities	1,911,047	1,026,348	(1,050,416)	460,713	32,177,189
Total primary government	\$ 2,019,595	\$ 2,149,516	\$ 22,627,033	\$ 374,817	\$ 2,069,907



Table 2 (cont'd)

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental Activities:</b>					
Taxes					
Ad valorem taxes	\$ 13,843,920	\$ 13,924,416	\$ 15,012,204	\$ 18,090,106	\$ 18,753,923
Local sales tax option	6,564,336	6,945,610	7,317,507	7,721,304	8,996,849
Other taxes	48,308	48,949	57,521	48,701	52,803
Unrestricted intergovernmental revenues	2,593,971	2,798,822	2,826,167	2,743,319	2,902,922
Interest earned on investments	209,821	197,604	724,350	386,117	(19,259)
Miscellaneous	38,351	128,193	363,732	529,825	1,254,166
Transfers in (out)	(222,438)	268,272	(116,799)	(1,277,293)	(119,788)
Total governmental activities	23,076,269	24,311,866	26,184,682	28,242,079	31,821,616
<b>Business-Type Activities:</b>					
Interest earned on investments	290,896	378,045	1,166,154	767,470	(9,459)
Miscellaneous	-	-	-	-	-
Transfer in (out)	222,438	(268,272)	116,799	1,277,293	119,788
Total business-type activities	513,334	109,773	1,282,953	2,044,763	110,329
Total primary government	23,589,603	24,421,639	27,467,635	30,286,842	31,931,945
<b>Changes in Net Position</b>					
Governmental activities	23,076,269	(1,860,467)	807,220	2,458,083	4,965,496
Business-type activities	513,334	7,423,793	15,251,600	16,248,883	16,763,136
Total primary government	\$ 23,589,603	\$ 5,563,326	\$ 16,058,820	\$ 18,706,966	\$ 21,728,632

Table 3

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>General Fund</b>					
Non Spendable					
Inventories	\$ 26,497	\$ 28,182	\$ 31,027	\$ 47,630	\$ 32,006
Prepaid items	2,470	2,985	4,290	6,909	26,108
Restricted					
Stabilization by State Statute	3,384,316	3,971,056	3,414,788	3,879,522	4,315,383
Transportation	-	-	-	-	-
Debt service	-	293,653	61,249	-	-
Committed	-	-	-	-	220,560
Assigned					
Subsequent year's appropriation	270,292	286,323	998,745	1,838,714	954,462
Unassigned	19,403,631	21,017,856	20,315,639	21,368,277	18,905,057
Subtotal governmental activities	23,087,206	25,600,055	24,825,738	27,141,052	24,453,576
<b>All Other Governmental Funds</b>					
Reserved for:					
Restricted, reported in:					
Stabilization by state statute	2,181,258	1,153,086	2,867,981	435,240	329,164
Special revenue funds	1,994,683	1,202,723	1,820,564	1,864,020	794,205
Committed	6,470,958	-	-	-	-
Capital project funds	-	5,144,063	3,659,885	2,111,528	5,121,111
Unassigned (deficit)	(85,676)	-	-	-	(165,871)
Subtotal other governmental activities	10,561,223	7,499,872	8,348,430	4,410,788	6,078,609
Total governmental fund balance	<u>\$ 33,648,429</u>	<u>\$ 33,099,927</u>	<u>\$ 33,174,168</u>	<u>\$ 31,551,840</u>	<u>\$ 30,532,185</u>
General Fund unassigned fund balance as a percent of expenditures (including transfer out)	76.15%	82.47%	73.40%	85.96%	65.56%

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>General Fund</b>					
Non Spendable					
Inventories	\$ 34,546	\$ 50,771	\$ 29,022	\$ 15,859	\$ 17,331
Prepaid items	-	-	9,214	9,212	9,214
Restricted					
Stabilization by State Statute	6,711,576	5,670,519	5,115,845	5,521,039	7,085,880
Transportation	-	-	-	148,823	733,308
Debt service	-	-	-	-	-
Committed	239,891	170,944	14,623	266,125	252,739
Assigned					
Subsequent year's appropriation	1,583,800	3,646,984	-	1,048,000	1,000,000
Unassigned	16,722,263	13,190,759	16,095,379	17,793,082	23,189,923
Subtotal governmental activities	25,292,076	22,729,977	21,264,083	24,802,140	32,288,395
<b>All Other Governmental Funds</b>					
Reserved for:					
Restricted, reported in:					
Stabilization by state statute	62,987	20,624	140,263	62,988	67,313
Special revenue funds	1,162,241	1,303,274	1,537,479	541,001	594,873
Committed					
Capital project funds	5,467,896	5,276,648	6,820,509	6,205,124	4,841,135
Unassigned (deficit)			(27,462)	(12,686)	(173,469)
Subtotal other governmental activities	6,693,124	6,600,546	8,470,789	6,796,427	5,329,852
Total governmental fund balance	<u>\$ 31,985,200</u>	<u>\$ 29,330,523</u>	<u>\$ 29,734,872</u>	<u>\$ 31,598,567</u>	<u>\$ 37,618,247</u>
General Fund unassigned fund balance as a percent of expenditures (including transfer out)	53.06%	41.86%	45.90%	51.35%	65.16%

Table 4

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues (by source):</b>					
Ad valorem taxes	\$ 11,310,155	\$ 12,139,952	\$ 12,403,940	\$ 12,407,077	\$ 12,372,681
Sales Tax	5,105,479	5,269,457	5,491,152	6,016,074	-
Other taxes and licenses	1,321,032	1,631,962	1,626,638	951,626	1,025,895
Unrestricted intergovernmental	2,116,304	2,608,519	2,316,788	2,671,124	9,196,090
Restricted intergovernmental	2,078,787	2,951,620	1,539,487	1,614,191	1,344,424
Permits and fees	554,325	439,269	447,208	731,287	401,633
Sales and services	1,457,941	1,788,988	1,679,939	1,452,951	860,752
Investment earnings	253,517	(121,635)	347,082	202,655	210,735
Miscellaneous	206,288	449,217	138,603	156,893	122,099
<b>Total revenues</b>	<b>24,403,828</b>	<b>27,157,349</b>	<b>25,990,837</b>	<b>26,203,878</b>	<b>25,534,309</b>
<b>Expenditures (by function):</b>					
General government	3,025,762	3,537,203	3,134,239	2,986,788	3,448,253
Public safety	11,309,003	11,990,414	11,576,160	12,121,392	11,813,998
Transportation	1,781,557	2,007,509	1,739,707	2,868,091	1,651,590
Economic and physical development	1,021,655	2,212,781	947,827	788,260	951,028
Environmental protection	1,979,079	1,918,623	1,593,054	2,132,924	1,557,336
Cultural and recreation	2,974,985	3,264,938	2,921,604	3,278,844	3,089,320
Capital outlay	6,597,977	1,489,469	3,936,559	2,392,459	2,199,179
Debt service:					
Principal	1,249,700	1,249,700	1,224,700	894,700	894,700
Interest on long-term debt	360,490	288,867	268,684	553,500	183,717
<b>Total expenditures</b>	<b>30,300,208</b>	<b>27,959,504</b>	<b>27,342,534</b>	<b>28,016,958</b>	<b>25,789,121</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(5,896,380)</b>	<b>(802,155)</b>	<b>(1,351,697)</b>	<b>(1,813,080)</b>	<b>(254,812)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,266,764	4,532,958	5,458,684	2,579,286	5,514,583
Transfers out	(2,774,371)	(4,279,305)	(4,032,746)	(2,388,534)	(6,497,908)
Proceeds from long-term debt	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(507,607)</b>	<b>253,653</b>	<b>1,425,938</b>	<b>190,752</b>	<b>(983,325)</b>
<b>Net change in fund balance</b>	<b>\$ (6,403,987)</b>	<b>\$ (548,502)</b>	<b>\$ 74,241</b>	<b>\$ (1,622,328)</b>	<b>\$ (1,238,137)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.79%</b>	<b>5.81%</b>	<b>6.38%</b>	<b>5.65%</b>	<b>4.49%</b>

Table 4 (cont'd)

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Revenues (by source):</b>					
Ad valorem taxes	\$ 13,906,520	\$ 14,051,731	\$ 15,084,380	\$ 18,185,140	\$ 18,820,501
Sales Tax	-	-	-	-	-
Other taxes and licenses	1,056,491	1,138,232	1,208,374	984,287	938,720
Unrestricted intergovernmental	9,206,615	9,744,432	10,143,674	10,464,623	11,899,771
Restricted intergovernmental	1,199,144	1,143,277	1,389,239	1,522,846	2,492,372
Permits and fees	264,365	147,752	145,437	127,172	152,360
Sales and services	2,085,537	2,055,918	2,080,282	2,033,127	2,180,666
Investment earnings	204,253	243,917	678,422	357,445	(20,389)
Miscellaneous	231,231	271,745	228,510	164,949	1,140,048
<b>Total revenues</b>	<b>28,154,156</b>	<b>28,797,004</b>	<b>30,958,318</b>	<b>33,839,589</b>	<b>37,604,049</b>
<b>Expenditures (by function):</b>					
General government	3,849,861	4,430,652	7,247,149	7,372,822	7,397,835
Public safety	13,066,552	13,250,792	14,585,042	15,797,768	16,291,797
Transportation	2,493,858	1,750,239	2,080,374	2,120,079	2,069,609
Economic and physical development	427,733	772,399	432,903	264,074	404,608
Environmental protection	2,140,089	1,846,455	1,771,082	1,695,988	2,267,456
Cultural and recreation	3,429,881	3,350,140	3,594,863	3,468,422	3,830,243
Capital outlay	46,688	3,309,446	2,589,478	4,014,006	2,609,913
Debt service:					
Principal	894,700	894,700	894,700	894,700	867,402
Interest on long-term debt	149,424	115,130	80,837	46,543	47,603
<b>Total expenditures</b>	<b>26,498,786</b>	<b>29,719,953</b>	<b>33,276,428</b>	<b>35,674,402</b>	<b>35,786,466</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,655,370</b>				
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,631,587	2,308,177	7,141,190	4,332,934	6,801,835
Transfers out	(2,833,942)	(4,039,905)	(4,418,731)	(1,884,426)	(2,599,738)
Proceeds from long-term debt	-	-	-	1,250,000	-
<b>Total other financing sources (uses)</b>	<b>(202,355)</b>	<b>(1,731,728)</b>	<b>2,722,459</b>	<b>3,698,508</b>	<b>4,202,097</b>
<b>Net change in fund balance</b>	<b>\$ 1,453,015</b>	<b>\$ (2,654,677)</b>	<b>\$ 404,349</b>	<b>\$ 1,863,695</b>	<b>\$ 6,019,680</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.17%</b>	<b>3.98%</b>	<b>3.02%</b>	<b>3.06%</b>	<b>2.84%</b>

**Table 5**

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

Fiscal Year Ended June 30	Property Tax	Sales Tax	Privilege License Tax	Occupancy Tax	Total
2012	\$ 11,316,717	\$ 5,105,479	\$ 341,000	\$ 733,086	\$ 17,496,282
2013	12,144,774	5,269,457	687,341	803,829	18,905,401
2014	12,329,641	5,491,152	665,357	818,512	19,304,662
2015	12,252,525	6,016,074	343,527	915,685	19,527,811
2016	12,130,575	6,283,073	2,067	980,548	19,396,263
2017	13,809,298	5,451,174	2,572	1,008,183	20,271,227
2018	13,924,416	6,945,610	2,425	1,089,283	21,961,734
2019	15,012,204	7,317,507	2,755	1,150,853	23,483,319
2020	18,090,106	7,721,304	1,480	935,586	26,748,476
2021	18,753,923	8,996,849	2,350	885,917	28,639,039

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

Table 6

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

Fiscal Year Ended June 30	Property Tax	Sales Tax	Privilege License Tax	Occupancy Tax	Total
2012	\$ 12,407,077	\$ 5,105,479	\$ 341,000	\$ 733,086	\$ 18,586,642
2013	12,139,952	5,269,457	687,341	803,829	18,900,579
2014	12,403,940	5,491,152	665,357	818,512	19,378,961
2015	12,407,077	6,016,074	343,527	915,685	19,682,363
2016	12,372,681	6,283,073	2,067	980,548	19,638,369
2017	13,906,520	5,451,174	2,572	1,008,183	20,368,449
2018	14,051,731	6,945,610	2,425	1,089,283	22,089,049
2019	15,084,380	7,317,507	2,755	1,150,853	23,555,495
2020	18,185,141	7,721,304	1,480	935,586	26,843,511
2021	18,820,500	8,996,849	2,350	885,917	28,705,616

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

Table 7

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

Fiscal Year Ended June 30	Tax Year	Real Property	Motor Vehicle and Personal Property	Public Service Companies	Total Assessed Value	Total Direct Tax Rate
2012	2011	\$ 2,046,476,967	\$ 851,682,471	\$ 45,081,888	\$ 2,943,241,326	0.3835
2013	2012	2,035,371,098	844,746,172	46,805,285	2,926,922,555	0.4135
2014	2013	2,036,899,857	898,217,364	46,105,962	2,981,223,183	0.4139
2015	2014	2,034,349,011	667,998,225	47,503,176	2,749,850,412	0.4140
2016	2015	2,020,695,223	681,250,767	48,394,452	2,750,340,442	0.4143
2017	2016	2,179,257,219	749,369,215	52,855,009	2,981,481,443	0.4640
2018	2017	2,261,548,275	691,310,880	52,410,234	3,005,269,389	0.4638
2019	2018	2,359,832,317	686,176,438	51,585,631	3,097,594,386	0.4849
2020	2019	2,492,960,249	728,774,749	54,706,893	3,276,441,891	0.5512
2021	2020	2,581,758,874	757,870,506	56,567,126	3,396,196,506	0.5510

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

**Ten Year History of Assessed Values**

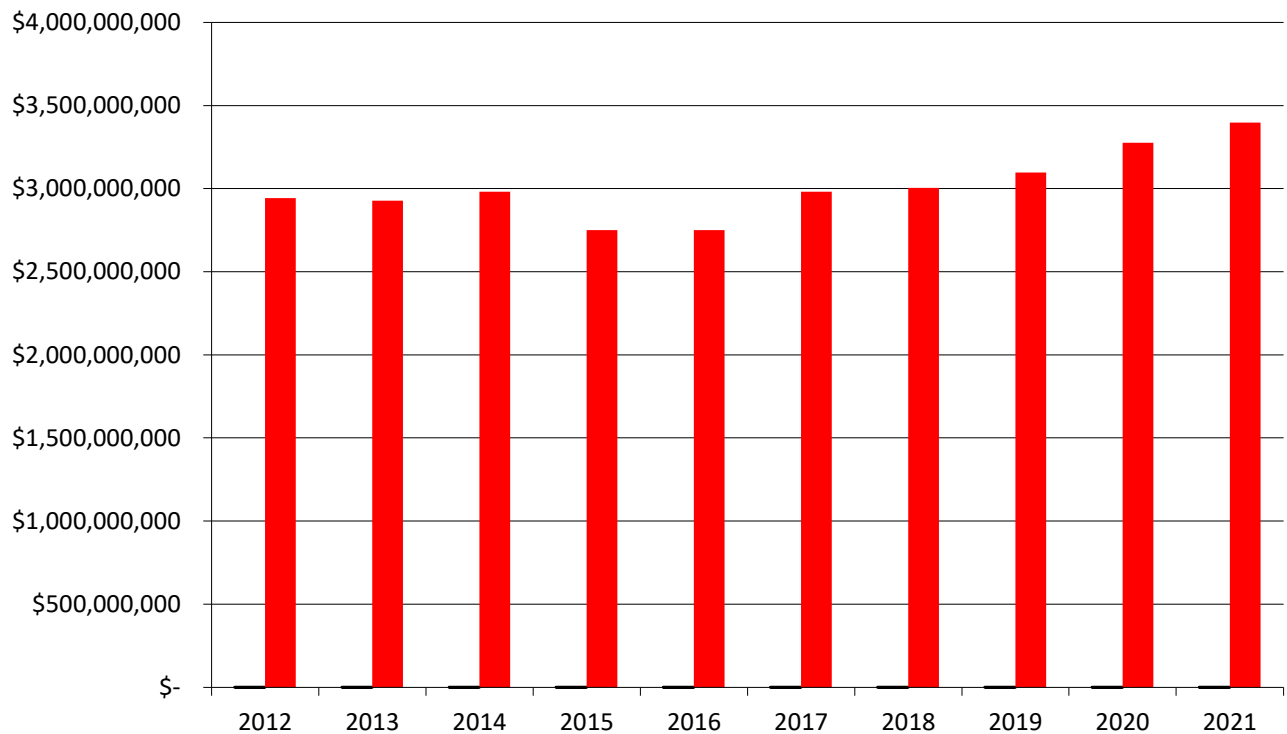


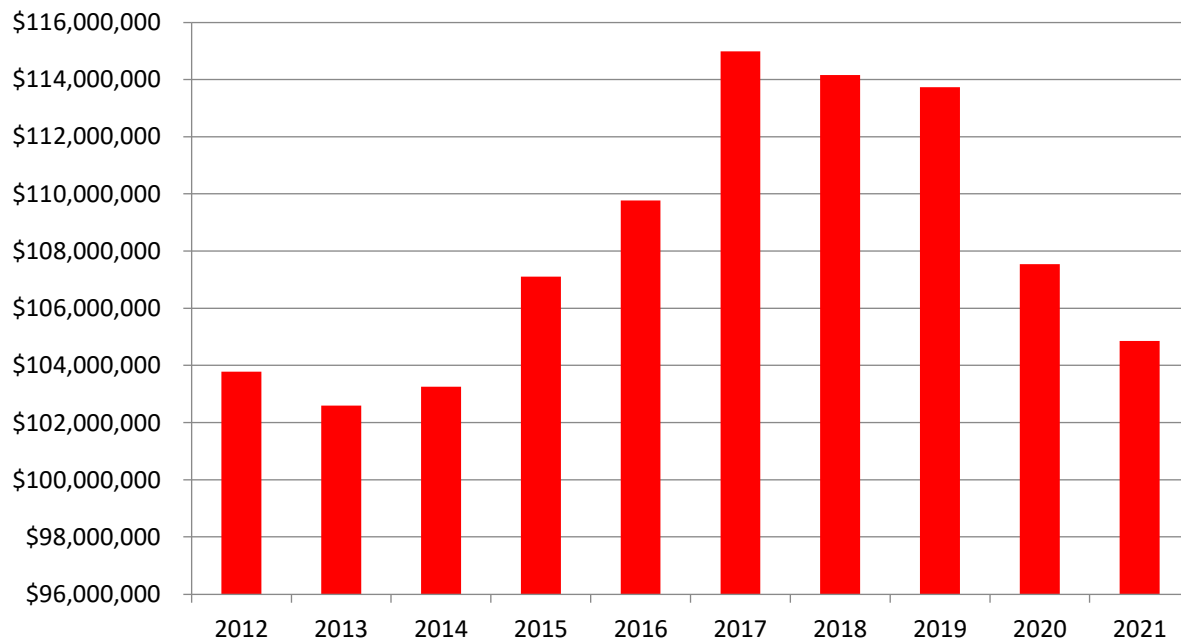


Table 8

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

<b>Fiscal Year Ended June 30</b>	<b>Assessed Value</b>	<b>Appraised Value</b>	<b>Ratio of Total Assessed Value to Total Appraised Value</b>
2012	\$ 103,785,047	\$ 103,785,047	100%
2013	102,596,150	102,596,150	100%
2014	103,256,921	103,256,921	100%
2015	107,102,506	107,102,506	100%
2016	109,766,931	109,766,931	100%
2017	114,980,820	114,980,820	100%
2018	114,155,160	114,155,160	100%
2019	113,728,000	113,728,000	100%
2020	107,538,488	107,538,488	100%
2021	104,854,975	104,854,975	100%

**Downtown Special District Assessed and Appraised Value**



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

<b>Fiscal Year Ended June 30</b>	<b>Assessed Value</b>	<b>Appraised Value</b>	<b>Ratio of Total Assessed Value to Total Appraised Value</b>
2016	\$ 1,663,678	\$ 1,663,678	100%
2017	1,917,326	1,917,326	100%
2018	1,932,968	1,932,968	100%
2019	1,894,258	1,894,258	100%
2020	2,001,703	2,001,703	100%
2021	2,298,093	2,298,093	100%

**Woods Dam Special District Assessed and Appraised Value**

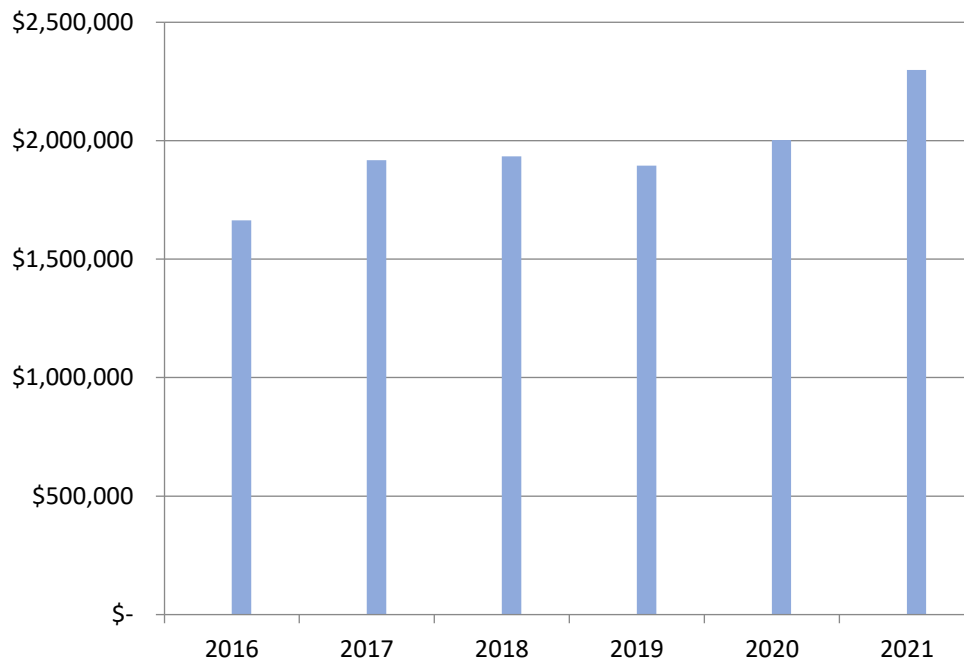


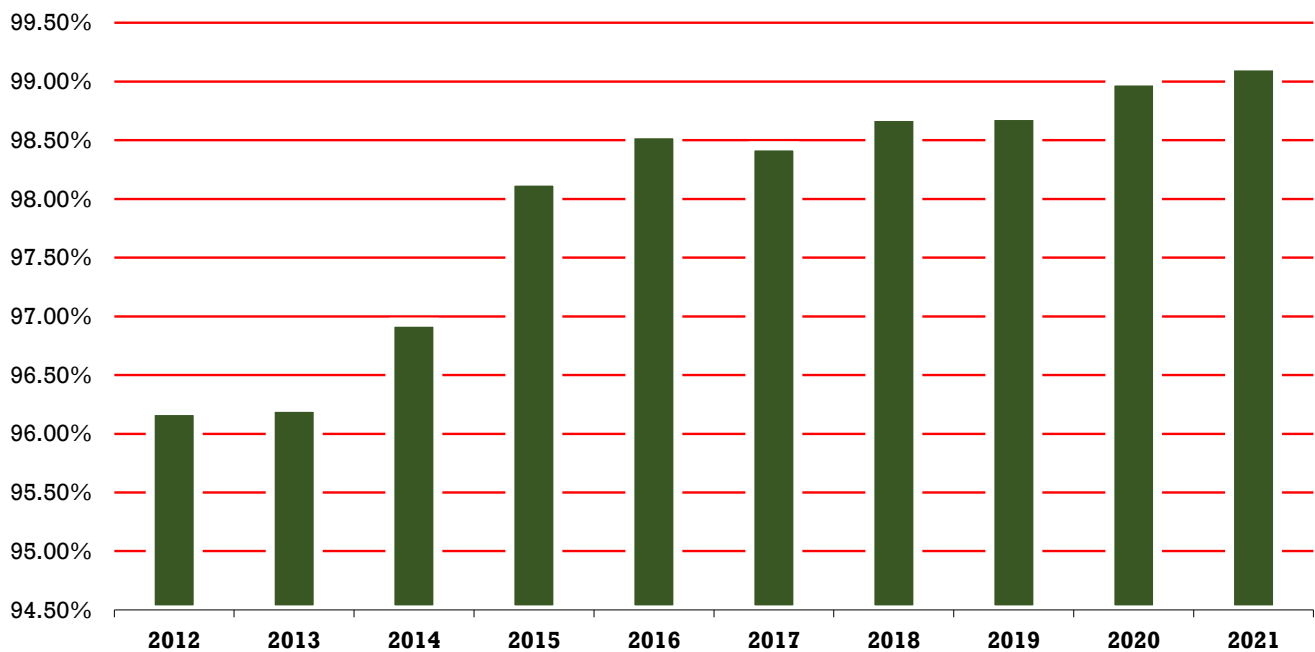
Table 10

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Curent Fiscal Year	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2012	2011	\$ 11,320,637	\$ 10,890,248	96.20%	\$ 369,223	\$ 11,259,471	99.46%	\$ 1,108,411	9.45%
2013	2012	12,022,139	11,568,448	96.23%	389,300	11,957,748	99.46%	1,134,351	9.79%
2014	2013	12,244,494	11,870,889	96.95%	356,284	12,227,173	99.86%	1,098,152	9.44%
2015	2014	12,069,094	11,845,894	98.15%	359,943	12,205,837	101.13%	926,056	8.97%
2016	2015	12,074,692	11,900,200	98.55%	272,333	12,172,533	100.81%	783,173	7.67%
2017	2016	13,714,815	13,502,576	98.45%	204,689	13,707,265	99.94%	748,532	6.49%
2018	2017	13,824,239	13,645,040	98.70%	210,798	13,855,838	100.23%	671,863	5.46%
2019	2018	14,902,527	14,710,327	98.71%	229,286	14,939,613	100.25%	634,778	4.26%
2020	2019	17,948,349	17,769,715	99.00%	254,521	18,024,236	100.42%	558,435	3.11%
2021	2020	18,604,364	18,443,008	99.13%	225,017	18,668,025	100.34%	494,025	2.66%

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

**Fiscal Year Current Levy Percentage of Collections - City Wide**



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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Curent Fiscal Year	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2012	2011	\$ 104,606	\$ 99,015	94.66%	\$ 2,721	\$ 101,736	97.26%	\$ 10,870	10.39%
2013	2012	102,596	99,202	96.69%	3,968	103,170	100.56%	9,899	9.65%
2014	2013	103,426	99,947	96.64%	2,617	102,564	99.17%	10,365	10.02%
2015	2014	107,438	103,910	96.72%	2,805	106,715	99.33%	10,365	9.65%
2016	2015	115,487	113,314	98.12%	5,998	119,312	103.31%	6,817	5.90%
2017	2016	114,981	113,187	98.44%	3,951	117,138	101.88%	4,382	3.81%
2018	2017	114,155	112,664	98.69%	1,665	114,329	100.15%	4,011	3.51%
2019	2018	113,728	111,346	97.91%	1,195	112,541	98.96%	5,197	4.57%
2020	2019	107,791	106,140	98.47%	2,563	108,703	100.85%	4,287	3.98%
2021	2020	105,022	103,436	98.49%	1,508	104,944	99.93%	4,364	4.16%

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

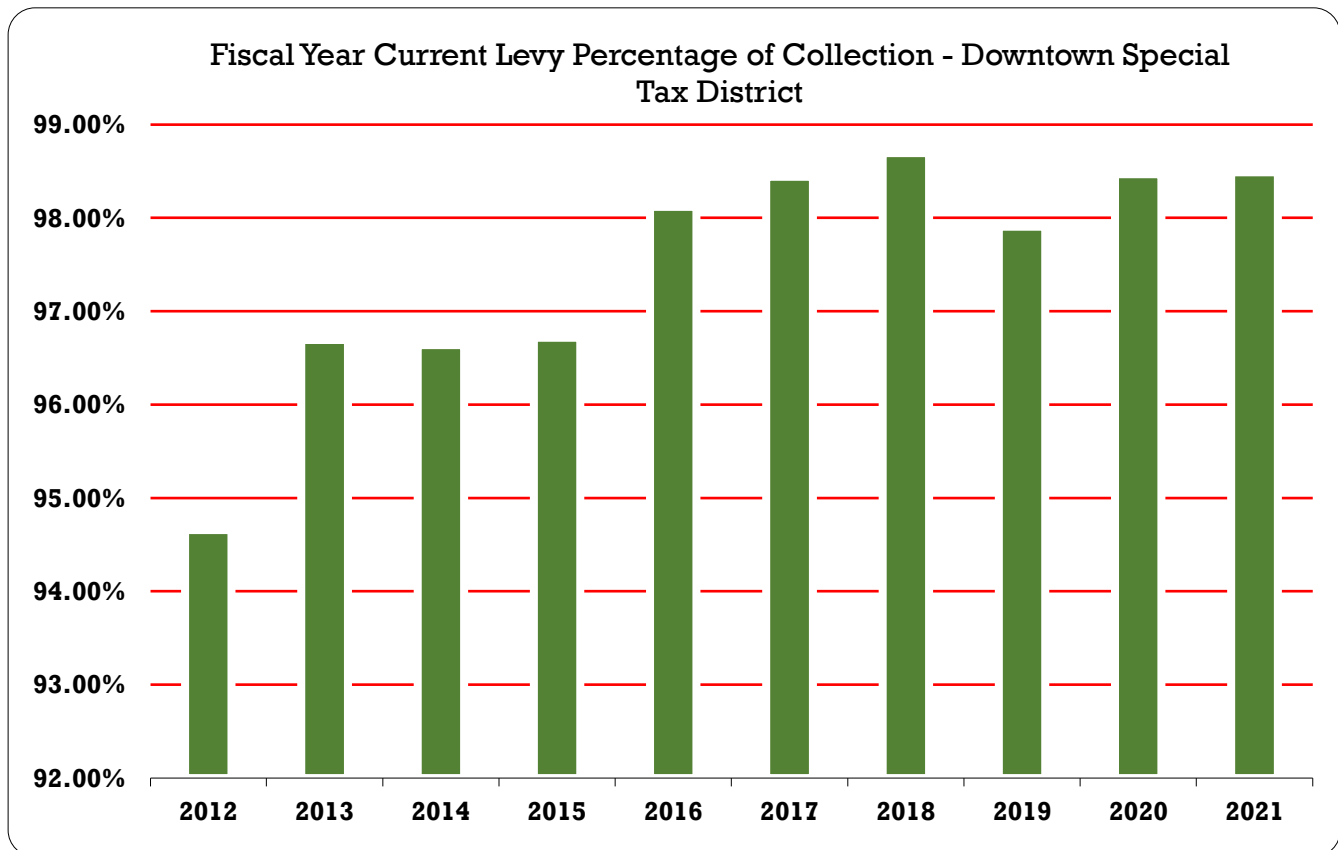
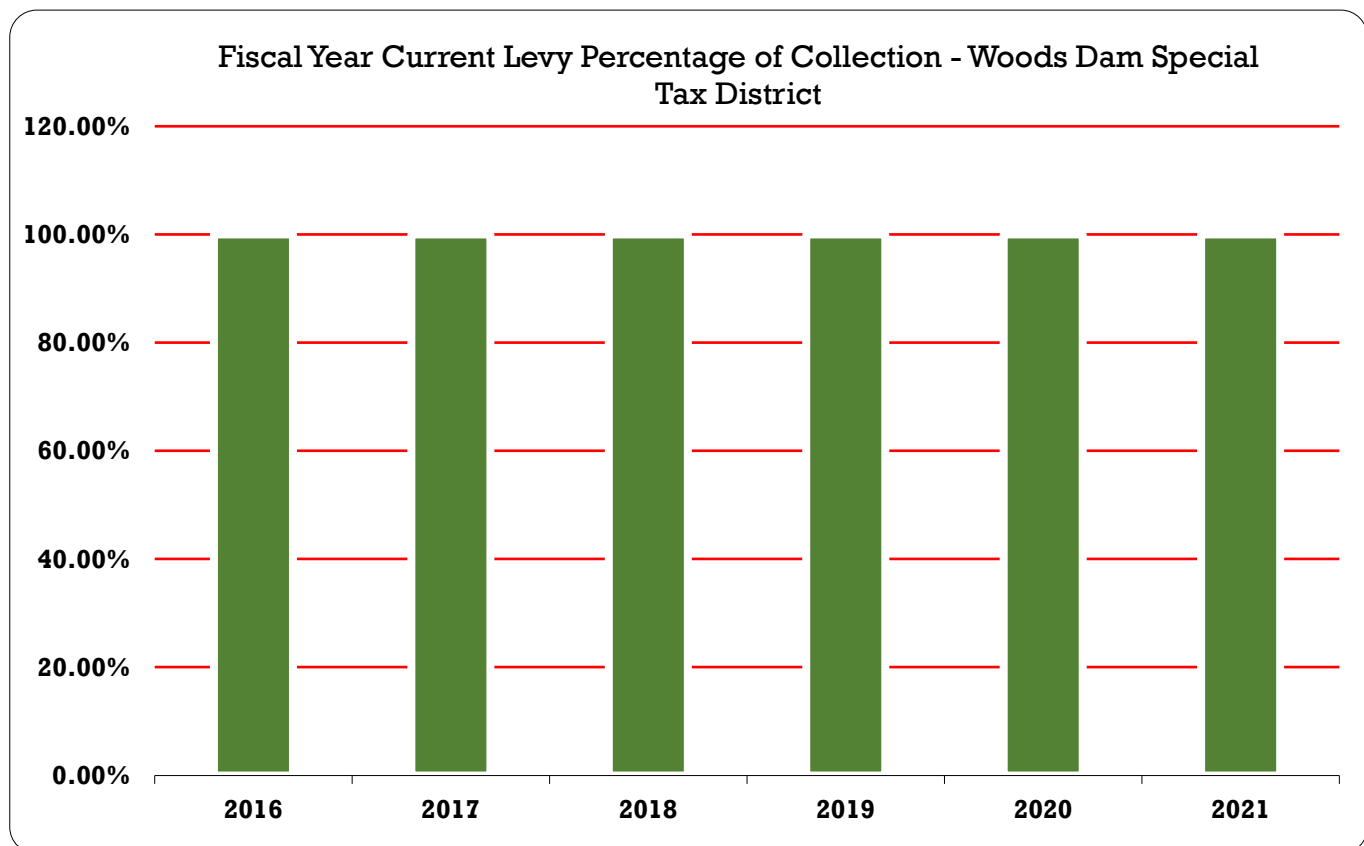


Table 12

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Curent Fiscal Year	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2016	2015	\$ 3,494	\$ 3,494	100.00%	\$ -	\$ 3,494	100.00%	\$ -	0.00%
2017	2016	4,026	4,026	100.00%	-	4,026	100.00%	-	0.00%
2018	2017	4,026	4,059	100.00%	-	4,059	100.00%	-	0.00%
2019	2018	3,978	3,978	100.00%	-	3,978	100.00%	-	0.00%
2020	2019	4,204	4,204	100.00%	-	4,204	100.00%	-	0.00%
2021	2020	4,286	4,286	100.00%	-	4,286	100.00%	-	0.00%

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



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

<b>Fiscal Year Ended June 30</b>	<b>City of Statesville City -wide Tax Rate</b>	<b>Downtown Tax Rate</b>	<b>Woods Dam Special District</b>	<b>City of Statesville Direct (<sup>1</sup>)Tax Rate</b>	<b>Iredell County Tax Rate</b>	<b>City of Statesville Direct Tax Rate Plus County Tax Rate</b>
2012	0.3800	0.1000	0.0000	0.3839	0.4850	0.8685
2013	0.4100	0.1000	0.0000	0.4139	0.4850	0.8989
2014	0.4100	0.1000	0.0000	0.4140	0.4850	0.8990
2015	0.4100	0.1000	0.0000	0.4639	0.5275	0.9914
2016	0.4100	0.1000	0.2100	0.4143	0.5275	0.9418
2017	0.4600	0.1000	0.2100	0.4640	0.5275	0.9915
2018	0.4600	0.1000	0.2100	0.4638	0.5275	0.9913
2019	0.4811	0.1000	0.2100	0.4849	0.5275	1.0124
2020	0.5478	0.1000	0.2100	0.5512	0.5275	1.0787
2021	0.5478	0.1000	0.2100	0.5510	0.5375	1.0885

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

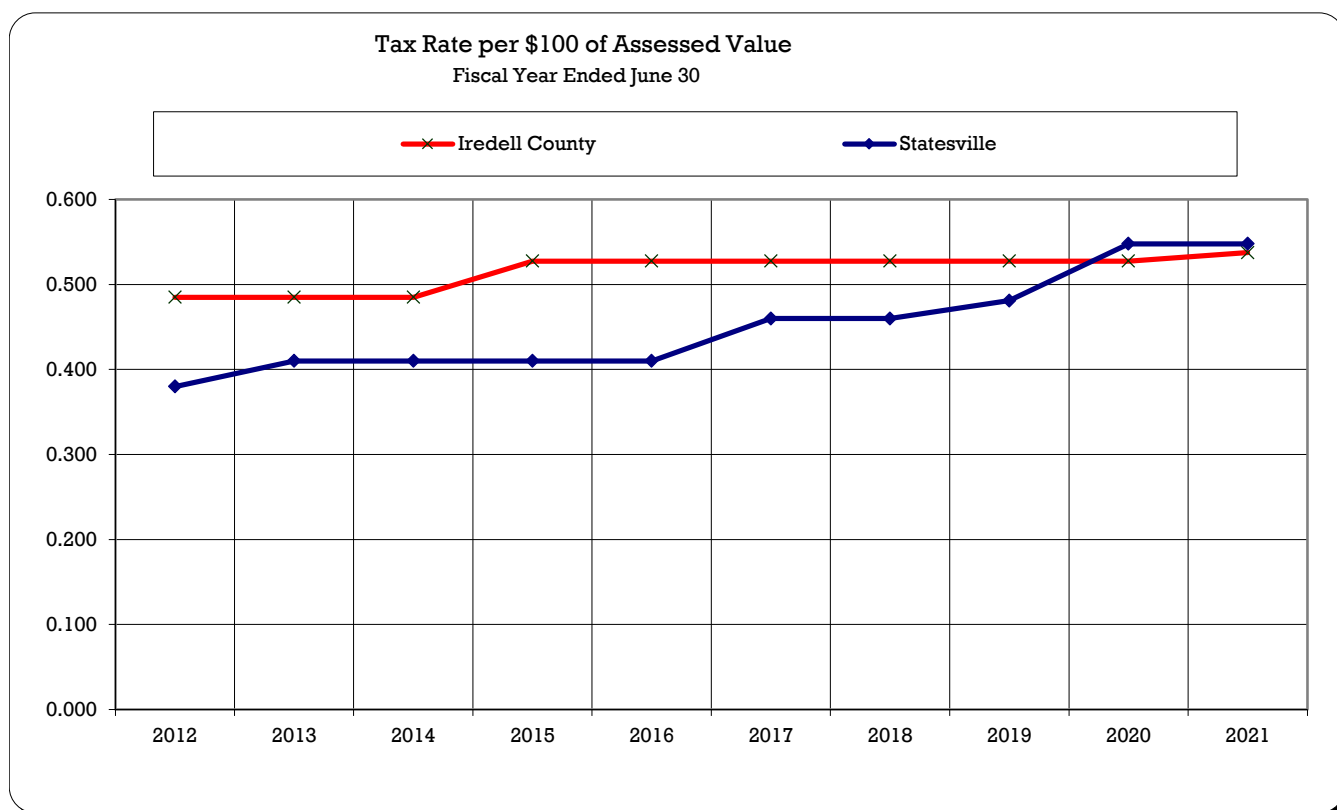


Table 14

**CITY OF STATESVILLE, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS - CITY WIDE**  
**June 30, 2021 and June 30, 2012**

In accordance with GASB No. 44, the following tables present information for the City's principal property taxpayers as of June 30, 2021 and June 30, 2012 for City wide only.

**June 30, 2021**

Taxpayer	Type of Business	Percentage of Total Assessed Valuation	Assessed Valuation	Tax Levy
Asmo NC, Inc.	Electric Motor Mfg.	3.63%	\$ 123,129,140	\$ 674,501
Providencia USA, Inc.	Non-Woven Plastic Materials Mfg.	1.87%	63,581,368	345,299
Lowe's	Home Improvement Retailer	1.81%	61,309,249	335,852
Statesville HMA, Inc.	Health Care Facility	1.06%	35,963,433	197,008
Pratt Industries, Inc.	Manufacturing	0.97%	33,006,348	180,809
Clark Equipment Company	Heavy Equipment Manufacturer	0.88%	29,907,013	163,831
Cheney Bros Inc.	Food Distributor	0.70%	23,869,972	130,760
Bartlett Milling Company	Flour and Feed Milling	0.69%	23,400,481	128,188
Centro NP	Real Estate	0.60%	20,217,730	110,753
Vereit Real Estate	Real Estate	0.57%	19,268,290	105,552
Ten largest taxpayers		12.77%	433,653,024	2,372,551
All other taxpayers		87.23%	2,962,543,482	16,231,813
Total:		100.00%	\$ 3,396,196,506	\$ 18,604,364

**June 30, 2012**

Taxpayer	Type of Business	Percentage of Total Assessed Valuation	Assessed Valuation	Tax Levy
Lowe's	Home Improvement Retailer	6.17%	\$ 181,599,409	\$ 690,078
Providencia USA, Inc.	Non-Woven Plastic Materials Mfg.	2.31%	67,874,276	257,922
Asmo NC, Inc.	Electric Motor Mfg.	2.01%	59,118,306	224,650
GS Statesville Green Land	Real Estate	0.93%	27,320,310	103,817
Statesville HMA, Inc.	Health Care Facility	1.11%	32,691,592	124,228
Newell Rubbermaid	Home & Office Products, Tool Mfg.	0.75%	22,111,138	84,022
Centro NP Holdings	Real Estate	0.60%	17,630,860	66,997
Pratt (Jett Corr) Inc.	Corrugated Container Manufacture:	0.56%	16,619,058	63,152
Statesville Shoppes Corp.	Real Estate	0.51%	15,150,560	57,572
Venture Properties	Real Estate	0.48%	14,202,960	53,971
Ten largest taxpayers		15.44%	454,318,469	1,726,410
All other taxpayers		84.56%	2,488,922,857	9,594,227
Total:		100.00%	\$ 2,943,241,326	\$ 11,320,637

Table 15

**CITY OF STATESVILLE, NORTH CAROLINA**  
**PRINCIPAL ELECTRIC CUSTOMERS**  
*June 30, 2021 and June 30, 2012*

<b>Electric Customer</b>	<b>Type of Business</b>	<b>Dollar Amount of Annual Electric Charges</b>	<b>Percentage of Total Electric Charges for Services</b>
<b>June 30, 2021</b>			
Providencia USA	Non-Woven Plastic Materials	\$ 2,761,478	6.1%
Kewaunee Scientific	Scientific Equipment	1,225,608	2.7%
Iredell Memorial Hospital	Health Care Facility	998,029	2.2%
Toter	Row out Bins	856,374	1.9%
Accuma Corporation	Plastics/Batteries	761,489	1.7%
J C Steele & Sons	Brick Making Machinery	665,649	1.5%
Amesbury Truth	Window/Door Manufacturer	645,714	1.4%
Statesville Housing Authority	Housing Authority	558,425	1.2%
RPM Plastics LLC	Plastic Manufacturing	512,554	1.1%
International Paper	IT Training Management Software	512,050	1.1%
	Ten largest electric users	9,497,368	21.0%
	All other electric users	35,728,654	79.0%
	Total electric charges	<u>\$ 45,226,022</u>	<u>100.0%</u>
<b>June 30, 2012</b>			
Commscope	Cable Manufacturer	\$ 1,591,432	4.0%
City of Statesville	Municipal Corporation	1,508,367	3.7%
Providencia USA	Non-Woven Plastic Materials	1,159,843	2.9%
Kewaunee Scientific	Scientific Equipment	948,231	2.4%
Iredell Memorial Hospital	Health Care Facility	892,494	2.2%
International Paper	Wood/Veneers	847,683	2.1%
Accuma Corporation	Plastics/Batteries	696,929	1.7%
Hunt Manufacturing	Art Supply	590,398	1.5%
Statesville Housing Authority	Housing Authority	564,229	1.4%
J C Penney Logistics	Distribution Center	538,988	1.3%
	Ten largest electric users	9,338,594	23.2%
	All other electric users	30,909,753	76.8%
	Total electric charges	<u>\$ 40,248,347</u>	<u>100.0%</u>

Source: City of Statesville's utility billing records.



Table 16

**CITY OF STATESVILLE, NORTH CAROLINA**  
**PRINCIPAL WATER CUSTOMERS**  
*June 30, 2021 and June 30, 2012*

<b>Water Customer</b>	<b>Type of Business</b>	<b>Dollar Amount of Annual Water Charges</b>	<b>Percentage of Total Water Charges for Services</b>
<b>June 30, 2021</b>			
Statesville Housing Authority	Housing Authority	\$ 89,297	1.9%
Mocaro Industries/Finishing	Knit Fabrics	75,617	1.6%
West Iredell Water Corp.	Utility	69,537	1.5%
Iredell Memorial Hospital	Health Care Facility	52,212	1.1%
Accordius Health at Statesville LLC	Assistance Living	47,238	1.0%
Ridgeview Apartments	Real Estate	43,847	0.9%
Rental Uniform Svc. Inc.	Apparel Rental	37,257	0.8%
Kewaunee Scientific	Scientific Equipment	34,923	0.7%
Summer Pointe LLC	Real Estate	31,902	0.7%
Iredell Water Corp	Utility	30,559	0.7%
	Ten largest water users	512,388	10.9%
	All other water users	4,172,212	89.1%
	Total water charges	<u>\$ 4,684,600</u>	<u>100.0%</u>
<b>June 30, 2012</b>			
Statesville Housing Authority	Housing Authority	93,066	2.8%
West Iredell Water Corp.	Utility	83,523	2.5%
Mocaro Industries/Finishing	Knit Fabrics	66,188	2.0%
City of Statesville	Municipal Corporation	60,039	1.8%
Iredell Memorial Hospital	Health Care Facility	53,156	1.6%
Iredell Water Corporation	Utility	43,481	1.3%
Clark-Schwebel Fiber	Textile Manufacturer	38,802	1.2%
Mariner Post Acute	Health Care Facility	34,577	1.0%
Rental Uniform Svc. Inc.	Apparel Rental	30,310	0.9%
International Paper	Wood/Veneers	23,510	0.7%
	Ten largest water users	526,652	15.6%
	All other water users	2,846,100	84.4%
	Total water charges	<u>3,372,752</u>	<u>100.0%</u>

Source: City of Statesville's utility billing records.

Table 17

**CITY OF STATESVILLE, NORTH CAROLINA**  
**PRINCIPAL SEWER CUSTOMERS**  
*June 30, 2021 and June 30, 2012*

<b>Sewer Customer</b>	<b>Type of Business</b>	<b>Dollar Amount of Annual Sewer Charges</b>	<b>Percentage of Total Sewer Charges for Services</b>
<b>June 30, 2021</b>			
Town of Troutman	Utility	\$ 355,392	7.4%
Statesville Housing Authority	Housing Authority	146,871	3.0%
Iredell Memorial Hospital	Health Care Facility	86,921	1.8%
Accordius Health at Statesville LLC	Assistance Living	78,624	1.6%
Ridgeview Apartments	Real Estate	72,968	1.5%
Mocaro Industries/Finishing	Knit Fabrics	62,455	1.3%
Rental Uniform Svc. Inc.	Apparel Rental	61,794	1.3%
Kewaunee Scientific	Scientific Equipment	58,235	1.2%
Millard Refrigerated Services	Warehousing	57,405	1.2%
Iredell-Statesville School Adm	School System	53,677	1.1%
	Ten largest sewer users	1,034,342	21.5%
	All other sewer users	3,783,303	78.5%
	Total sewer charges	<u>\$ 4,817,645</u>	<u>100.0%</u>
<b>June 30, 2012</b>			
Mocaro Industries/Finishing	Knit Fabrics	\$ 230,367	4.4%
Town of Troutman	Utility	213,252	4.0%
Statesville Housing Authority	Housing Authority	150,971	2.9%
Iredell Memorial Hospital	Health Care Facility	86,967	1.6%
Clark-Schwebel Fiber	Fiberglass	63,602	1.2%
Iredell-Statesville School Adm	School System	56,612	1.1%
Mariner Post Acute	Health Care Facility	56,550	1.1%
Rental Uniform	Apparel Rental	49,442	0.9%
International Paper	Wood/Veneers	38,502	0.7%
296 Mueller Cir Holdings	Real estate	31,490	0.6%
	Ten largest sewer users	977,755	18.5%
	All other sewer users	4,315,013	81.5%
	Total sewer charges	<u>\$ 5,292,768</u>	<u>100.0%</u>

Source: City of Statesville's utility billing records.

Table 18

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

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities		Total Primary Government	Percent of Personal Income	<sup>2.</sup> Per Capita
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Notes Payable			
2012	\$ 25,000	\$ 8,847,600	\$ 120,000	\$ 13,051,207	\$ 24,350,036 <sup>(1)</sup>	0.10% <sup>(2)</sup>	\$ 988.51
2013	-	7,622,900	80,000	12,049,677	19,752,577 <sup>(1)</sup>	0.12% <sup>(2)</sup>	796.14
2014	-	6,398,200	-	20,159,905	26,558,105 <sup>(1)</sup>	0.10% <sup>(2)</sup>	1,063.13
2015	-	5,173,500	-	29,681,145	34,854,645 <sup>(1)</sup>	0.06% <sup>(2)</sup>	1,395.25
2016	-	4,275,800	-	31,790,563	36,066,363 <sup>(1)</sup>	0.07% <sup>(2)</sup>	1,402.60
2017	-	3,384,100	-	29,674,165	33,058,265 <sup>(1)</sup>	0.06% <sup>(2)</sup>	1,285.61
2018	-	2,484,555	-	27,481,372	29,965,927 <sup>(1)</sup>	0.09% <sup>(2)</sup>	1,165.35
2019	-	1,594,700	-	25,318,743	26,913,443 <sup>(1)</sup>	0.08% <sup>(2)</sup>	1,042.19
2020	-	1,950,000	-	28,600,377	30,550,377 <sup>(1)</sup>	0.07% <sup>(2)</sup>	1,182.84
2021	-	1,082,598	-	34,617,851	35,700,449 <sup>(1)</sup>	0.06% <sup>(2)</sup>	1,371.62

## Notes:

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

<sup>2.</sup> From the North Carolina Office of Management and Budget. For the report fiscal year are projections from the North Carolina Office of Management and Budget. The population estimates are determined as of July 1 of each year. The 2020 estimate of 26,028 was the basis for allocating sales tax for fiscal year 2021.

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

Fiscal Year Ended June 30,	Governmental Activities	Business-type Activities	Less: Amounts Available in Debt Service Fund	Total General Obligation Bonds	<sup>(1)</sup> Percent of Assessed <sup>(2)</sup> Value	Per Capita
	General Obligation Bonds	General Obligation Bonds				
2012	\$ -	\$ 80,000	\$ -	\$ 80,000	0.00%	\$ 3.25
2013	-	-	-	-	0.00%	-
2014	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-
2019	-	-	-	-	0.00%	-
2020	-	-	-	-	0.00%	-
2021	-	-	-	-	0.00%	-

## Notes:

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

<sup>1.</sup> See schedule of Assessed Value and Estimated Actual Value of Taxable Property Table 7.

<sup>2.</sup> The City is not obligated for any general obligation bonds or debt as of June 30, 2013.

Table 20

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

For the Fiscal Years 2011-12 through 2020-21:

	2016-17	2017-18	2018-19	2019-20	2020-21
Debt Limit	\$ 234,881	\$ 240,422	\$ 247,817	\$ 262,115	\$ 271,696
Total net debt applicable to limit	-	-	-	-	27,017
Legal debt margin	<u>\$ 234,881</u>	<u>\$ 240,422</u>	<u>\$ 247,817</u>	<u>\$ 262,115</u>	<u>\$ 244,679</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	9.94%

Legal Debt Margin Calculation for the current Fiscal Year:

Total assessed value	\$ 3,399,005
Less current year abatements	<u>(2,808)</u>
Assessed value of taxable property	3,396,197
Debt limit - eight percent (8%) of assessed value	<u>271,696</u>
Amount of debt applicable to debt limit:	
Total bonded debt	<u>27,017</u>
Legal debt margin	<u>\$ 244,679</u>

	2011-12	2012-13	2013-14	2014-15	2015-16
Debt Limit	\$ 235,459	\$ 235,459	\$ 232,800	\$ 234,856	\$ 232,915
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 235,459</u>	<u>\$ 235,459</u>	<u>\$ 232,800</u>	<u>\$ 234,856</u>	<u>\$ 232,915</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Table 21

**CITY OF STATESVILLE, NORTH CAROLINA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2021**

Jurisdiction	Principal	Allocated Amount	Total
<b>Direct debt:</b>			
City of Statesville	(1) \$ 1,082,598	100%	\$ 1,082,598
<b>Overlapping debt:</b>			
Iredell County	(1) 187,169,939	14%	26,904,690
	\$ 188,252,537		\$ 27,987,288

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

Table 22

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

<u>Fiscal Year Ended June 30,</u>	<u>Population Estimate <sup>(1)</sup></u>	<u>Per Capita Personal Income <sup>(2)</sup></u>	<u>Unemployment Rate <sup>(3)</sup></u>	<u>Median Age <sup>(4)</sup></u>	<u>School Enrollment <sup>(5)</sup></u>
2012	24,633	\$ 24,559	10.1%	37.10	21,239
2013	24,680	24,633	9.2%	37.10	21,447
2014	24,710	26,031	6.5%	40.00	20,863
2015	24,981	20,188	5.9%	40.00	20,967
2016	25,102	26,392	4.9%	40.00	20,643
2017	25,363	19,936	5.3%	40.00	20,233
2018	25,714	26,532	3.9%	40.00	20,427
2019	25,824	20,883	4.0%	40.00	20,437
2020	25,828	22,876	14.2%	40.00	20,283
2021	26,028	23,813	4.7%	41.00	20,019

**Sources:**

<sup>1.</sup> From the North Carolina Office of Management and Budget. For the report fiscal year are projections from the North Carolina Office of Management and Budget. The population estimates are determined as of July 1 of each year. The 2020 estimate of 26,028 was the basis for allocating sales tax for fiscal year 2021.

<sup>2.</sup> The U.S. Census Bureau has information for the City, this information beginning with this date will reference the U.S. Census Bureau statistics calendar year 2015 that will result in a decrease in the per capita income from the county wide per capita that had been previously determined by the Department of Commerce. The U.S. Census Bureau, QuickFacts, Per Capita Income In Past 12 months (in 2018 dollars), 2014-2018 statistic, per capita income of: \$22,876.

<sup>3.</sup> From the North Carolina Department of Commerce, June 2021, Iredell County Profile.

<sup>4.</sup> From the North Carolina Department of Commerce, June 2021, Iredell County Profile.

<sup>5.</sup> Information on the City of Statesville alone is not available. The student enrollment data is from the North Carolina Department of Public Instruction's Average Daily Membership (ADM) for the Iredell-Statesville School system not including private or parochial schools.

Table 23

**CITY OF STATESVILLE, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS**  
**June 30, 2021 and June 30, 2012**

<b>June 30, 2021</b>			
<u>Company or Organization</u> <sup>(1)</sup>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Lowe's Companies Inc	4,200	1	4.88%
Iredell-Statesville Schools	2,496	2	2.90%
Iredell Memorial Hospital	1,681	3	1.95%
Iredell County Government	1,203	4	1.40%
Piedmont HealthCare	1,021	5	1.19%
Davis Regional Medical Center	506	6	0.59%
Doosan Infracore Power	500	7	0.58%
Nelson Global Products	450	8	0.52%
City of Statesville	425	9	0.49%
Denso	745	10	0.87%
All other	<u>72,892</u>		<u>84.64%</u>
Total Employed	<u><u>86,119</u></u>		<u><u>100.00%</u></u>
<b>June 30, 2012</b>			
<u>Company or Organization</u> <sup>(3)</sup>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Iredell Statesville Schools	2,720	1	3.74%
Iredell Memorial Hospital	1,585	2	2.18%
Iredell County Government	1,134	3	1.56%
Lowe's Regional Distribution	823	4	1.13%
Piedmont Healthcare	720	5	0.99%
JC Penney Distribution	620	6	0.85%
Davis Regional Medical Center	492	7	0.68%
Kewaunee Scientific	480	8	0.66%
Doosan Infracore	474	9	0.65%
City of Statesville	416	10	0.57%
All other	<u>63,295</u>		<u>86.99%</u>
Total Employed	<u><u>72,759</u></u>		<u><u>100.00%</u></u>

**Sources:**

(1) Iredell County Economic Development Corporation.

(2) Total Iredell County employed from the North Carolina Department of Commerce as of June 2021.

(3) June 30, 2012 are estimates based on previous data.



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Table 24

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Function/Program</b>					
<b>General Government Activities:</b>					
<b>General government:</b>					
Personnel					
Number of new hires-full time	23	20	26	33	42
Number of new hires-part-time	80	96	117	100	96
Turnover rate	8.20%	9.60%	7.80%	10.86%	11.67%
<b>Public Safety:</b>					
Police					
UCR Part 1 Violent Crime (2)	N/A	N/A	N/A	N/A	N/A
Vehicle Crashes Investigated	1,690	1,690	1,665	1,665	1,665
Number of incoming calls	93,590	93,590	89,679	94,603	73,836
Fire					
Fire emergency responses	1,890	1,890	2,197	4,015	3,634
City-wide fire loss	\$ 1,373,470	\$ 1,462,225	\$ 713,190	\$ 412,525	\$ 1,558,700
Number of fire inspections	777	777	987	985	1,099
Investigations	22	9	20	20	23
<b>Transportation:</b>					
Street Department					
Miles of street resurfacing	3.22	4.11	4.10	3.71	4.00
<b>Environmental protection:</b>					
Sanitation					
Number of household collection points	9,546	9,546	9,342	9,700	9,700
Cost per ton collected	\$ 60.00	\$ 60.00	\$ 78.00	\$ 84.00	\$ 84.00
Cemeteries					
Number of burials	230	230	239	219	213
<b>Recreation:</b>					
Fitness Center Avg. Daily Attendance (3)	262	262	288	260	204
Leisure Pool Avg. Daily Attendance (4)	428	428	402	420	424

(1) Source: Various City departments.

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

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

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

Table 24 (cont'd)

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Function/Program</b>					
<b>General Government Activities:</b>					
<b>General government:</b>					
Personnel					
Number of new hires-full time	49	47	59	70	49
Number of new hires-part-time	92	91	86	65	59
Turnover rate	11.20%	8.58%	15.17%	13.16%	9.85%
<b>Public Safety:</b>					
Police					
UCR Part 1 Violent Crime (2)	N/A	346	227	241	343
Vehicle Crashes Investigated	1,625	1,625	1,866	1,686	1,708
Number of incoming calls	77,595	79,406	72,416	83,598	74,514
Fire					
Fire emergency responses	4,015	4,015	4,751	4,573	4,613
City-wide fire loss	\$ 435,640	\$ 435,640	\$ 2,971,873	\$ 1,444,301	\$ 6,053,180
Number of fire inspections	1,037	1,037	1,147	1,272	1,294
Investigations	11	11	126	107	133
<b>Transportation:</b>					
Street Department					
Miles of street resurfacing	4.74	4.70	3.80	4.19	1.16
<b>Environmental protection:</b>					
Sanitation					
Number of household collection points	10,011	10,149	12,126	12,508	13,000
Cost per ton collected	\$ 84.00	\$ 84.00	\$ 84.00	\$ 84.00	\$ 84.00
Cemeteries					
Number of burials	212	212	195	201	242
<b>Recreation:</b>					
Fitness Center Avg. Daily Attendance (3)	190	200	205	200	125
Leisure Pool Avg. Daily Attendance (4)	416	433	416	269	184

(1) Source: Various City departments.

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

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

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

Table 25

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Function/Program</b>					
<b>Business-type activities:</b>					
<b>Airport:</b>					
Assessed Values created by the Airport	\$239,607,307	\$251,174,453	\$201,968,428	\$162,252,962	\$157,363,502
Lease Revenues	\$164,862	\$180,256	\$193,750	\$215,682	\$330,143
Fuel Fee Revenue	\$157,895	\$123,898	\$144,902	\$156,727	\$185,198
Gallons Pumped	1,357,103	1,421,769	1,394,458	1,378,316	1,603,941
Passengers Flown (charter) Estimate	N/A	N/A	N/A	N/A	N/A
Take-off and landings	N/A	N/A	N/A	N/A	N/A
Based aircraft (29 jet powered)	N/A	N/A	N/A	N/A	N/A
<b>Electric:</b>					
<sup>(2)</sup> Kwh purchased	461,666,247	469,944,924	479,643,199	466,069,742	465,250,083
Purchased power cost	\$36,560,241	\$38,639,838	\$40,826,057	\$41,571,134	\$39,165,656
<sup>(2)</sup> Cost per kwh	0.0792	0.0822	0.0851	0.0892	0.0842
<sup>(2)</sup> Kwh sold	447,066,312	453,300,014	461,546,534	449,547,013	444,241,616
Electric Billed	\$40,248,347	\$43,927,172	\$45,919,158	\$46,311,527	\$45,569,103
<sup>(2)</sup> Sold per kwh	0.0900	0.0969	0.0995	0.1030	0.1026
Accounting/line kwh loss	14,599,935	16,644,910	18,096,665	16,522,729	21,008,467
Loss as a percent of billed kwh	3.27%	3.67%	3.92%	3.68%	4.73%
Average number of customers	12,941	12,824	12,829	12,937	13,110
<b>Water:</b>					
<sup>(3)</sup> Water MG average annually treated	1,143	1,172	1,141	1,153	1,139
<sup>(4)</sup> Sold Water to Customers MG	953	950	903	942	949
<sup>(4)</sup> Accounted for Water	N/A	N/A	N/A	N/A	N/A
Accounting/line loss	190	222	238	211	190
<sup>(4)</sup> Loss as a percent of billed water	16.59%	18.97%	20.86%	18.30%	16.69%
<sup>(4)</sup> Average number of water customers	11,308	11,366	11,397	11,716	11,604
Billed water customers	\$3,432,791	\$3,663,166	\$3,626,264	\$3,812,861	\$ 4,062,313
<b>Sewer:</b>					
<sup>(3)</sup> 3rd Creek treated- average daily MGD	0.84	0.92	1.07	0.87	0.84
<sup>(3)</sup> 4th Creek treated - average daily MGD	2.16	2.21	2.48	2.03	2.20
<sup>(4)</sup> Average number of sewer customers	10,318	10,376	10,399	10,399	10,638
Billed sewer customers	\$5,292,768	\$5,710,498	\$5,628,097	\$5,911,549	\$ 6,134,494
Billed Sewer units in MG	954	963	959	958	959
<b>Civic Center:</b>					
Paid Bookings	563	502	620	665	790

<sup>(1)</sup> Source: City billings and annual Public Utility Commission report.

<sup>(2)</sup> Kwh is kilowatts per hour.

<sup>(3)</sup> MGD is millions of gallons per day.

<sup>(4)</sup> MG is millions of gallons.

Table 25 (cont'd)

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Function/Program</b>					
<b>Business-type activities:</b>					
<b>Airport:</b>					
Assessed Values created by the Airport	\$127,027,000	\$126,205,187	\$115,396,097	\$115,396,097	\$113,085,164
Lease Revenues	\$238,871	\$261,481	\$536,370	\$523,960	\$724,183
Fuel Fee Revenue	\$173,519	\$266,335	\$178,850	\$1,410,097	\$1,564,081
Gallons Pumped	1,586,000	1,758,294	1,585,640	1,804,332	356,886
Passengers Flown (charter) Estimate	16300	19,500	19,500	19,500	17,250
Take-off and landings	36000	38,000	39,500	39,500	37,140
Based aircraft (29 jet powered)	82	109	110	105	99
<b>Electric:</b>					
<sup>(2)</sup> Kwh purchased	466,013,226	482,057,405	490,361,788	488,679,803	488,198,477
Purchased power cost	\$39,120,860	\$38,633,348	\$36,197,211	\$35,422,643	\$24,937,566
<sup>(2)</sup> Cost per kwh	0.0839	0.0801	0.0738	0.0725	0.0511
<sup>(2)</sup> Kwh sold	449,410,533	463,614,719	460,404,866	466,672,071	469,781,101
Electric Billed	\$46,913,124	\$48,418,485	\$46,537,224	\$45,978,723	\$45,948,838
<sup>(2)</sup> Sold per kwh	0.1044	0.1044	0.1011	0.0985	0.0978
Accounting/line kwh loss	16,602,693	18,442,686	29,956,922	22,007,732	18,417,376
Loss as a percent of billed kwh	3.69%	3.98%	6.51%	4.50%	3.92%
Average number of customers	13,113	13,245	13,214	13,738	14,916
<b>Water:</b>					
<sup>(3)</sup> Water MG average annually treated	1,191	1,123	1,082	1,143	1,312
<sup>(4)</sup> Sold Water to Customers MG	957	925	971	974	1,051
<sup>(4)</sup> Accounted for Water	N/A	N/A	9	13	149
Accounting/line loss	234	198	102	156	160
<sup>(4)</sup> Loss as a percent of billed water	19.65%	17.63%	9.43%	16.00%	16.00%
<sup>(4)</sup> Average number of water customers	11,743	11,941	10,895	11,442	12,417
Billed water customers	\$ 3,998,656	\$ 4,071,768	\$ 4,425,692	\$4,476,206	\$3,358,801
<b>Sewer:</b>					
<sup>(3)</sup> 3rd Creek treated- average daily MGD	0.89	0.83	0.83	0.80	1.06
<sup>(3)</sup> 4th Creek treated - average daily MGD	2.39	2.36	3.58	3.60	3.62
<sup>(4)</sup> Average number of sewer customers	10,780	10,972	10,895	11,446	11,398
Billed sewer customers	\$ 6,429,454	\$ 6,428,001	\$ 7,270,989	\$6,904,086	\$7,375,439
Billed Sewer units in MG	980	963	977	10,254	986
<b>Civic Center:</b>					
Paid Bookings	686	725	728	508	641

<sup>(1)</sup> Source: City billings and annual Public Utility Commission report.

<sup>(2)</sup> Kwh is kilowatts per hour.

<sup>(3)</sup> MGD is millions of gallons per day.

<sup>(4)</sup> MG is millions of gallons.

Table 26

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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Function/Program</b>					
<b>General Government Activities;</b>					
<b>General government:</b>					
City hall	1	1	1	1	1
City office building	1	1	1	1	1
Garage	1	1	1	1	1
Warehouse	1	1	1	1	1
<b>Public Safety:</b>					
Police					
(4) Number of police stations	3	3	3	3	2
Fire					
Number of fire stations	4	4	4	4	4
<b>Transportation:</b>					
Street miles	142.24	142.15	145.70	145.70	145.70
Airport - acres	394	429.4	429.4	429.4	429.4
Airport - terminals	1	1	1	1	1
<b>Environmental protection:</b>					
Sanitation - packers	9	9	9	9	9
Cemeteries					
(2) Number of cemeteries	2	2	2	2	2
Cemeteries - acreage	60	60	60	60	60
<b>Recreation:</b>					
Parks - acreage	350	350	358	358	358
Number of Parks	20	20	20	20	20
Greenways/trails-miles	6.00	6.00	12.91	12.91	12.91
Soccer fields	7	7	7	7	7
Recreation Centers & Pool	4	4	4	4	4
<b>Business-type activities:</b>					
<b>Electric:</b>					
Miles of distribution lines	248.5	248.5	248.5	248.5	248.5
Number of substations	10	10	10	10	10
<b>Water:</b>					
Miles of distribution lines	265	270	279	279	279
Water treatment plants	1	1	1	1	1
(3) Water plant capacity-MGD	15	15	15	15	15
<b>Sewer:</b>					
Miles of collection lines	265	276	291	291	291
Sewer treatment plants	2	2	2	2	2
(3) 3rd Creek plant capacity-MGD	4	4	4	4	6
(3) 4th Creek plant capacity-MGD	6	6	6	6	6
<b>Civic Center:</b>					
Civic Center	1	1	1	1	1

**Notes:**

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

Table 26 (cont'd)

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Function/Program</b>					
<b>General Government Activities;</b>					
<b>General government:</b>					
City hall	1	1	1	1	1
City office building	1	1	1	1	1
Garage	1	1	1	1	1
Warehouse	1	1	1	1	1
<b>Public Safety:</b>					
Police					
(4) Number of police stations	2	2	2	2	2
Fire					
Number of fire stations	4	4	4	4	4
<b>Transportation:</b>					
Street miles	145.36	145.24	146.12	146.12	145.70
Airport - acres	415	498	467	467	467
Airport - terminals	1	1	1	1	1
<b>Environmental protection:</b>					
Sanitation - packers					
	9	9	9	9	9
Cemeteries					
(2) Number of cemeteries	2	2	2	2	2
Cemeteries - acreage	60	60	60	60	60
<b>Recreation:</b>					
Parks - acreage	358	358	358	358	358
Number of Parks	20	20	20	20	20
Greenways/trails-miles	12.91	12.91	12.91	12.91	12.91
Soccer fields	7	7	7	7	7
Recreation Centers & Pool	4	4	4	4	4
<b>Business-type activities:</b>					
<b>Electric:</b>					
Miles of distribution lines	268	447.3	282	284.2	283.9
Number of substations	10	10	10	10	11
<b>Water:</b>					
Miles of distribution lines	276	266	275	275	279
Water treatment plants	1	1	1	1	1
(3) Water plant capacity-MGD	15	15	15	15	15
<b>Sewer:</b>					
Miles of collection lines	285	286	287	267	267
Sewer treatment plants	2	2	2	2	2
(3) 3rd Creek plant capacity-MGD	6	6	6	6	6
(3) 4th Creek plant capacity-MGD	6	6	6	6	6
<b>Civic Center:</b>					
Civic Center	1	1	1	1	1

**Notes:**

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

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

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

Table 27

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

Function/Program	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Governmental Activities:</b>										
General Government:										
Mayor and Council	9	9	9	9	9	9	9	9	9	9
City Manager	3	3	3	3	3	3	3	3	4	4
City Clerk	1	1	1	1	1	1	1	1	1	1
Finance Administration	6	6	6	6	6	6	6	6	6	5
Collections	5	5	5	5	5	5	5	5	5	6
Information Technology	9	8	8	10	10	11	13	13	13	14
Purchasing	3	3	3	3	3	3	3	3	3	3
Human Resources	4	3	3	3	3	3	3	4	4	4
Planning	10	8	8	8	8	7	7	8	7	8
Public Works	6	4	4	4	4	6	5	5	5	4
Garage	9	9	9	9	9	9	9	9	9	9
Warehouse	1	-	-	-	-	-	-	-	-	-
Subtotal general government	66	59	59	61	61	63	64	66	66	67
Public Safety										
Police	101	96	96	97	97	100	99	101	103	106
Fire	74	73	73	72	70	71	71	74	83	83
Subtotal Public Safety	175	169	169	169	167	171	170	175	186	189
Transportation										
Street Department	21	17	17	17	17	16	16	16	16	16
Airport	1	1	1	1	-	-	-	-	-	-
Subtotal Transportation	22	18	18	18	17	16	16	16	16	16
Environmental protection										
Sanitation	31	28	28	26	26	24	22	20	22	22
Subtotal environmental protection	31	28	28	26	26	24	22	20	22	22
Recreation										
Recreation Administration	3	3	3	3	3	3	3	3	3	3
Athletics	2	1	1	1	1	1	1	1	1	1
Programs	3	3	3	3	3	3	3	3	3	3
Fitness & Activity Center	4	4	4	4	4	4	4	4	4	4
Parks	7	12	12	12	12	14	15	15	15	15
Urban Forestry	4	-	-	-	-	-	-	-	-	-
Public Grounds/Cemeteries	8	5	5	5	5	6	6	6	6	6
Subtotal Recreation	31	28	28	28	28	31	32	32	32	32
Total Governmental	325	302	302	302	299	305	304	309	322	326
<b>Business-type activities</b>										
Airport Operating	-	-	-	-	2	2	2	2	5	5
Electric	34	31	31	32	33	34	33	33	33	33
Sewer Maintenance	7	6	6	6	6	6	6	6	6	6
Water Maintenance	16	15	15	15	15	15	15	15	15	16
Water Plant	12	12	12	12	12	12	12	12	12	12
Third Creek WWTP	7	7	7	7	7	7	7	7	7	7
Sewer Treatment Plants	15	15	15	15	15	15	15	14	14	14
Stormwater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5	5
Civic Center	7	7	7	7	7	7	7	8	8	8
Subtotal Business-type	100	94	94	94	97	98	97	97	105	106
Total primary government	425	396	396	396	396	403	401	406	427	432

Source: City of Statesville's adopted operating budget.



## ***COMPLIANCE SECTION***

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Statesville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 17, 2021. Our report includes a reference to other auditors who audited the financial statements of the City of Statesville ABC Board, as described in our report on the City of Statesville, North Carolina's financial statements. The financial statements of the City of Statesville ABC Board and the Statesville Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances or reportable non-compliance associated with the City of Statesville ABC Board or the Statesville Convention and Visitors Bureau.

### **Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 17, 2021

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

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

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

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

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

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

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

## **Opinion on Each Major Federal Program**

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

## **Report on Internal Control over Compliance**

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

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 17, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Report on Internal Control over Compliance**

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

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 17, 2021



# CITY OF STATESVILLE, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, 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(s) identified? None reported

Non-compliance material to financial statements noted? No

#### Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

#### Federal Program Name

#### AL#

Airport Improvement Program 20.106

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

Auditee qualified as low-risk auditee? No

## **CITY OF STATESVILLE, NORTH CAROLINA**

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

#### **State Awards**

Internal control over major state programs:

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

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

Unmodified

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

No

Identification of major state programs:

#### **State Program Name**

State Aid to Airports

## **CITY OF STATESVILLE, NORTH CAROLINA**

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

**2. Financial Statement Findings**

None reported

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

None reported

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

None reported

**CITY OF STATESVILLE, NORTH CAROLINA**

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

None reported

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant/WBS Number	Federal Direct Pass-Through Expenditures	State Expenditures	Passed-through to Expenditures
<b>Federal Grants:</b>					
<b><u>U.S. Department of Transportation</u></b>					
Federal Highway Administration:					
Passed through N.C. Department of Transportation:					
Highway Planning, Research & Construction Cluster:					
Highway Planning and Construction	20.205	STBGSA-1003(153)	\$ 3,685	\$ -	\$ -
Highway Planning and Construction	20.205	STBGDA-1003(155)	128,522	-	-
Total Highway Planning, Research & Construction Cluster			132,207	-	-
Federal Aviation Administration:					
Airport Improvement Program and COVID-19 Airport Program	20.106	36237.46.17.1	14,439	-	-
Airport Improvement Program and COVID-19 Airport Program	20.106	36237.16.18.1	1,537,791	-	-
			1,552,230	-	-
Total U.S. Department of Transportation			1,684,437	-	-
<b><u>U.S. Department of the Treasury</u></b>					
Passed through the Office of State Budget and Management:					
N.C. Pandemic Recovery Office:					
COVID-19 - Coronavirus Relief Fund (Note 4)	21.019	02-48-26	548,470	-	-
Total U.S. Department of the Treasury			548,470	-	-
<b><u>U.S. Department of Justice</u></b>					
Office of Community Oriented Policing Services:					
Public Safety Partnership & Community Policing Grant	16.710	2017-UM-WX-0044	41,651	-	-
Public Safety Partnership & Community Policing Grant	16.710	AL-21-02-13	166,194	-	-
			207,845		
Office of Justice Programs:					
Bulletproof Vest Partnership Program	16.607	2019	6,399	-	-
Passed through the N.C. Department of Public Safety:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-GP-BX-0042	7,539	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0067	30,216	-	-
			37,755		
Office of Violence Against Woman:					
Passed through the N.C. Department of Public Safety:					
Violence Against Women Formula Grants	16.588	2020-WF-AX-0013	58,802	-	-
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	32,512	-	-
			91,314		
Total U.S. Department of Justice			343,313	-	-
<b><u>U.S. Department of Homeland Security</u></b>					
Federal Emergency Management Agency:					
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00488	26,695	-	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00300	156,857	-	-
Assistance to Firefighters Grant (AFG)	97.044	EMW-2019-FG-10117	370,215	-	-
Total U.S. Department of Homeland Security			553,767	-	-
<b>State Grants:</b>					
<b><u>N.C. Department of Transportation</u></b>					
Division of Aviation:					
State Aid to Airports	DOT-8	36244.59.7.1	-	420,754	-
State Aid to Airports	DOT-8	36244.59.8.1	-	344,735	-
State Aid to Airports	DOT-8	36244.59.8.2	-	29,952	-
State Aid to Airports	DOT-8	36244.59.8.3	-	259,395	-
Division of Highways:					
State Transportation Improvement Program		TIP-U-6153	-	17,018	-
Powell Bill	DOT-4	32570	-	110,850	-
Total N.C. Department of Transportation			-	1,182,704	-
<b><u>N.C. Department of Commerce</u></b>					
Rural Economic Division:					
Building Reuse Program		2019-129-3201-2587	-	300,000	300,000
Total N.C. Department of Commerce			-	300,000	300,000
Total Federal Grants			\$ 3,129,987		
Total State Grants				\$ 1,482,704	\$ 300,000

**CITY OF STATESVILLE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2021**

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

**Note 1: Basis of Presentation**

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

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

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