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22

POPULAR ANNUAL FINANCIAL REPORT

Building Bonds & Cutting Ribbons

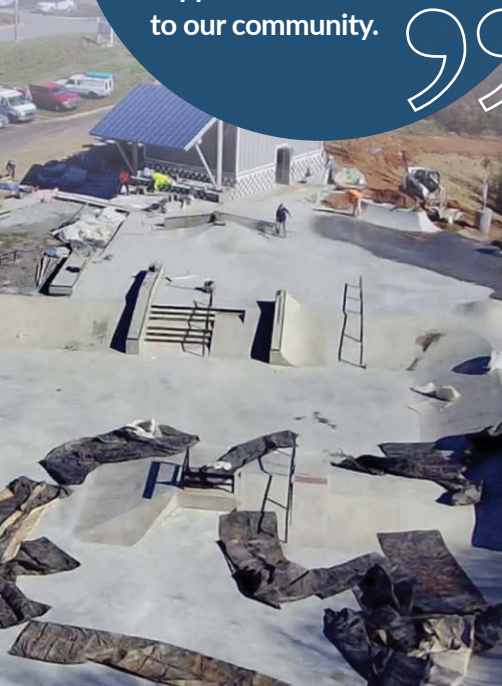
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For the year ended, June 30, 2022 | Town of Mooresville, North Carolina

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To accomplish so much while our tax rate has remained stable for the 14th straight year shows great planning on the part of the Town Board of Commissioners and our staff. I applaud their commitment to our community.

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Message from the Town Manager

RANDY HEMANN

The past fiscal year provided a two-fold meaning to the phrase, building bonds. The Town of Mooreville was fortunate to use bond funds to build much needed facilities for those who protect us—Mooreville Police Department and Mooreville Fire-Rescue. Mooreville Police Department was able to move into a new, more centrally-located facility at the corner of W. Wilson Avenue and Highway 21, providing an increased Town presence in our 28117 zip code. The facility replaced a building that was constructed when our department and our population were about half of today's population. The new 50,000 square foot facility is safer from a building design and construction standpoint and provides space for both current and future needs. Mooreville Fire-Rescue was able to open Fire Station 6 in the northeast section of Town at the corner of Highway 801 and Manufacturers Boulevard and also a new Training Center, an essential piece of that department's recruiting and training pipeline. All three of these new facilities feature public and internal meeting spaces, which have already hosted numerous meetings and events, growing the connections and the bonds with those we serve.

This past fiscal year was also the year that we could once again meet as a community and bond through events and celebrations. We certainly did so with flare all across Town, with a great concert series at Liberty Park and the Charles Mack Citizen Center. Seeing folks from my parents' generation dancing in the aisle to the Drifters and watching people from my generation and their kids dancing to 80's music at Liberty Park was a welcome sign after the lifting of Covid restrictions.

Town Board meetings were once again open to the public, and it was fantastic to see yet another generation of younger residents show up in support of the new Mooreville Skate Park. The skater community was heavily involved in the design of the project from the start, and they showed up in force to display their support the night the project was approved. I am proud of how our Town strives to build relationship bonds to better serve our community.

As we have been building bonds, we have also celebrated completions and beginnings of important transportation projects around Town, including the conclusion of the West Wilson Road improvements and the start of Phase I of the East/West Connector, a new road to serve the southern end of the Town.

One of the most significant projects ahead this upcoming year is the formation of our Traffic Operations Center. Over the next seven years we will—through an agreement with the NCDOT—phase in the control and monitoring of NCDOT owned and operated roads. This will give us the ability to monitor and adjust signal timing as needed to deal with patterns related to peak use. The Town will take control of signals as major arteries are improved and control capability is added.

The Mooreville Board of Commissioners and Town staff continue to show great commitment to provide quality facilities and services to those we serve. As you read through this Popular Annual Financial Report, I hope you will agree with me when I say that we came together as a community to accomplish some great things in FY 2022. To accomplish so much while our tax rate has remained stable for the 14th straight year shows great planning on the part of the Town Board of Commissioners and our staff. I applaud their commitment to our community.

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Moorestown's skating community brought their full support to the February 7th, 2022 Board of Commissioners meeting as the unanimous vote was passed to approve a \$2.8 million dollar renovation contract for the Town's fourteen year old skate park. The Board of Commissioners and Mayor can be seen on the back row of the picture above surrounded by enthusiastic skaters. The Skate Park is scheduled to reopen in December of 2022. Commissioners on back row: L-R Mayor Pro Tem Lisa Qualls, Commissioners Barbara Whittington, Commissioner Gary West, Mayor Miles Atkins, Commissioner Bobby Compton, Commissioner Thurman Houston, Commissioner Eddie Dangler



Our Town Government

The Town of Moorestown has a council-manager form of government. The mayor, elected to serve two-year terms, presides at all Board meetings. The mayor serves as the chief executive officer and official head of the Town government. The six members of the Board of Commissioners are elected in staggered four-year terms. Together, the Mayor and Board formulate policy for the administration of the Town. The Board appoints the Town Manager to serve as the chief administrative officer of the Town.



A Word from Finance

The purpose of the Popular Annual Financial Report (PAFR) is to provide an easy-to-read summary of key financial operations in the Town of Moorestown. This PAFR contains information summarizing the Town's two largest funds, the general fund and the utility fund, along with highlights from the Town's current capital projects. The financial information in this report has been taken from the 2022 Town of Moorestown Annual Comprehensive Financial Report (ACFR), which was prepared according to Generally Accepted Accounting Principles (GAAP). The ACFR contains fully audited financial statements and notes disclosures for all activities, funds, and component units of the Town of Moorestown government. The ACFR was audited by an independent external auditor, Potter & Company, P.A., resulting in the firm's recognition that the Town's financial statements are fairly and appropriately presented, without any identified exceptions and in compliance with GAAP. You can view this PAFR and the current and past year ACFR's (formerly CAFR) at https://www.moorestownenc.gov/government/departments/finance/audits_budgets.php.

About Mooresville

Located in Iredell County, North Carolina, the Town of Mooresville is considered part of the fast-growing Charlotte Metropolitan area. Twenty-five miles north of Charlotte on the banks of Lake Norman, Mooresville still offers a small-town feeling. From its humble beginnings in 1856 when small-scale farmer John Franklin Moore donated land for a cotton weighing platform and depot, the area has continued to build bonds to strengthen the community for growth in the future. In 1873, this farming community drew together and incorporated as the Town of Mooresville. With a railroad depot, plentiful cotton, and abundant fresh water from the nearby Catawba River, the textile industry boom continued to drive growth in Mooresville throughout the 20th century. Between 2000 and 2022, Mooresville has seen its most significant growth, with the population increasing from 18,823 to over 50,000. Along with the population, the Town of Mooresville tax base grew from \$1.429 to \$8.582 billion. Home to many regional and national companies, including Lowe's Corporate, Pactiv LLC, and Corvid Technologies, Mooresville offers diverse employment opportunities with national retailers, manufacturers, and locally owned businesses all contributing to the success of the local economy.



PRINCIPAL EMPLOYERS

- Lowe's Companies Inc
- NGK Ceramics USA Inc
- Lake Norman Regional Medical Center
- Mooresville Graded School District
- BestCo Inc
- Pactiv Evergreen Inc
- Walmart SuperCenter
- Town of Mooresville
- Team Penske
- Carolina Beverage Group LLC
- Randy Marion Automotive Group

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Between 2000 and 2022,
Mooresville has seen its most
significant growth, with the
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18,823 to over 50,000.

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BY THE NUMBERS

51,594	Population	41.7%	Education – Bachelor's Degree or Higher	11 tons	Recyclables collected (per collection day)
\$56,173	Per Capita Income		Parks	7,274	Daily Water Production (in thousand gallons)
20,842	Total Housing Units	17	Police – calls answered	53,695	Rounds of Golf
1,362	Building Permits Issued	60,891	Fire – calls answered		
		9,266			

Budget Highlights

In June of 2021, as U.S. COVID-19 cases dropped to their lowest levels since March of 2020, the Town of Mooresville administration and Board of Commissioners were reviewing the proposed budget for Fiscal Year 2022. Having seen stronger than predicted revenues throughout the pandemic, the Town was able to approve its most robust general government budget to date. With a predicted \$62.46 million in the General Operating Fund and \$16.23 million in the General Capital Fund, many needs could be addressed. Twenty-one new positions were added to the General Operating Fund. Nine of those new positions were added in the Fire Department to prepare for the opening of Fire Station 6. Five positions were added to the Library in anticipation of the opening of a new branch on the west side of Town. Many other departments were able to add staff to help sustain and support growth.

With the adoption of the budget in July, the Town was able to budget \$1.5 million for Mooresville Skate Park Improvements. The Town also included a \$5 million investment in Liberty Park Phase II. Details on these projects are included in [pages 14-15](#).

The Town continues to focus on alleviating traffic by investing in Town streets. \$500,000 was invested in design for the Mazeppa Road Flyover. This project is designed to address local road congestion challenges at the intersection of Mazeppa Road/Connector Road and NC Highway 115. The Town has seven active capital project budget ordinances targeting street improvement. These ordinances represent \$23.74 million in investments focused on Town streets. For an updated list of street improvements, [see page 14](#).

During 2022, investments of \$3.5 million from the capital reserve were made in the Utility Fund to continue with the construction of the Northside Forcemain at Wiggins Road. This ongoing project will improve long-term sewer service to the Town's North Service Area.



BUDGET PROCESS

DEVELOP

Five Year Capital Investment Program Development

REVIEW

Capital Investment Development for Upcoming Fiscal Year

REQUEST

Annual Budget Request Submission from Department Heads

MEET

Budget Meetings with Town Staff

STRATEGIZE

Board of Commissioners Budget Workshop

PRESENT

Manager's Recommended Budget Presentation

RECOMMEND

Recommended Budget Available to the Public

DISCUSS

Public Hearing and Discussion

APPROVE

Annual Budget Adoption and Publication

General Governmental Results

The governmental activities section of the Town's financial statements includes programs supported by taxes along with grants from federal and state governments. Governmental revenues provide services including General Administration, Public Safety (Police & Fire), Public Works (Streets & Sanitation), Recreation and Cultural Services, and Economic Development. Ad Valorem Taxes, or taxes on personal property, are generally the largest source of revenue making up 49.19% of total revenues received for the year. This percentage is smaller than previous years due to the increased amount of operating grants received. The General Fund is the Town's primary operating fund, supplying revenues to twenty-nine departments. The data on [pages 6 and 7](#) represents the combined financial results of the departments served by the General Fund.

STATEMENT OF NET POSITION	2022	2021	CHANGE
Assets	\$314,826,199	\$279,897,966	\$34,928,233
Liabilities	\$178,688,896	\$175,337,710	\$3,351,186
Ending Net Position	\$136,137,303	\$104,560,256	\$31,577,047

STATEMENT OF ACTIVITIES	2022	2021	CHANGE
Revenues	\$101,300,488	\$85,536,801	\$15,763,687
(Expenses)	(\$69,723,441)	(\$64,029,622)	(\$5,693,819)
Change in Net Position	\$31,577,047	\$21,507,179	\$10,069,868

STATEMENT OF NET POSITION

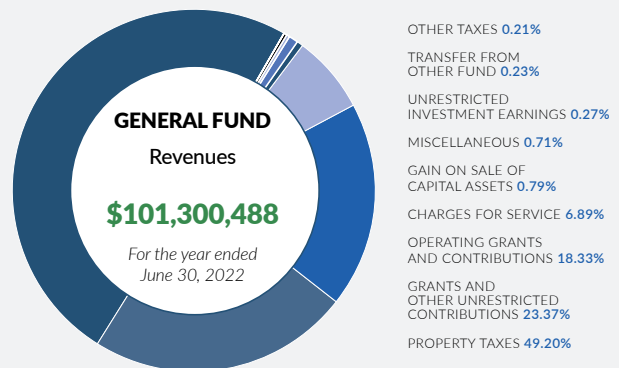
The Statement of Net Position provides a snapshot of what the Town owns (assets) and owes (liabilities). Net position represents the Town's investment in the assets it uses in providing services to its residents. The change in net position is a useful indicator of whether the Town's financial position is improving or weakening. **During FY2022, the Town's net position increased by \$31.58 million.**

A STATEMENT OF ACTIVITIES

A Statement of Activities provides a summary of amounts received (revenues) and amounts spent (expenditures). The difference between revenues and expenditures shows the change in the Town's net position. A positive change indicates the Town had sufficient revenues to cover its obligations and has the ability to meet future challenges.

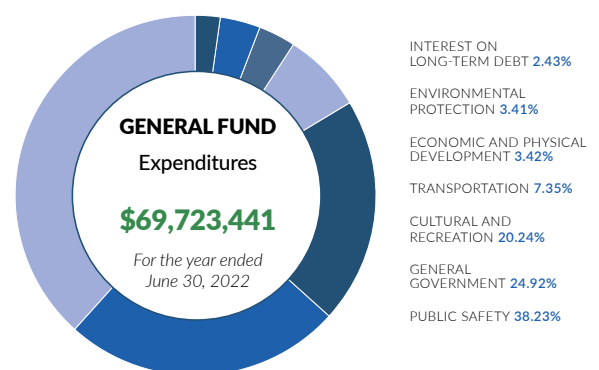
THREE YEAR TRENDS: GENERAL FUND – REVENUES

REVENUES	2022	2021	2020
Property Taxes	\$49,837,911	\$47,232,281	\$44,184,596
Other Taxes	\$214,700	\$199,810	\$167,096
Charges for Service	\$6,974,717	\$6,232,685	\$5,625,709
Operating Grants and Contributions	\$18,568,892	\$9,928,075	\$3,682,166
Grants and other unrestricted contributions	\$23,669,402	\$19,492,285	\$17,014,707
Unrestricted Investment Earnings	\$274,857	\$37,906	\$1,392,576
Reimbursement from Joint Agency	\$ -	\$ -	\$5,088,766
Gain on Sale of Capital Assets	\$803,668	\$ -	\$25,049,352
Transfer from Other Fund	\$236,000	\$1,447,202	\$ -
Miscellaneous	\$720,341	\$966,557	\$5,633,285
TOTAL	\$101,300,488	\$85,536,801	\$107,838,253



THREE YEAR TRENDS: GENERAL FUND – EXPENDITURES

EXPENDITURES	2022	2021	2020
General Government	\$17,376,602	\$14,484,469	\$16,429,959
Transportation	\$5,129,362	\$5,388,903	\$4,621,428
Public Safety	\$26,654,705	\$25,541,992	\$23,084,371
Economic and Physical Development	\$2,381,586	\$1,377,133	\$8,375,364
Environmental Protection	\$2,378,549	\$2,445,027	\$2,267,858
Cultural and Recreation	\$14,109,006	\$13,017,400	\$12,289,209
Interest on long-term debt	\$1,693,631	\$1,774,698	\$2,067,479
TOTAL	\$69,723,441	\$64,029,622	\$69,135,668





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The Utility Fund supplies the financial needs of eight departments that provide water and sewer services.

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Enterprise Results

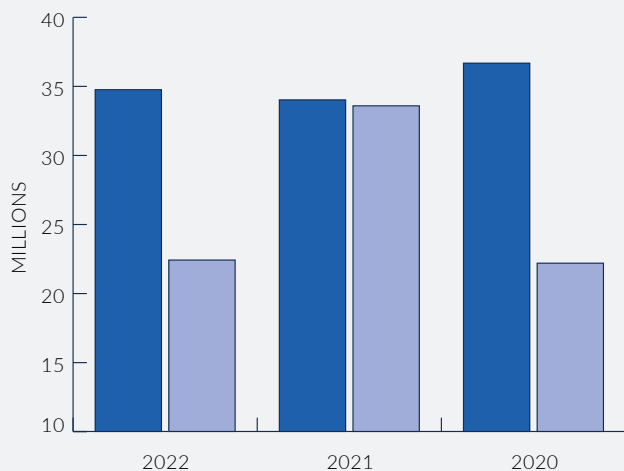
The Town operates its water and sewer system and stormwater activities in a manner similar to a private business, or enterprise, where the costs of providing the service is financed or recovered through user charges. The Utility Fund supplies the financial needs of eight departments that provide water, sewer and stormwater services.

STATEMENT OF NET POSITION	2022	2021	CHANGE
Total Assets & Deferred Outflows	\$219,668,763	\$217,969,237	\$1,699,526
Total Liabilities & Deferred Inflows	\$63,444,032	\$74,079,790	(\$10,635,758)
Total Net Position	\$156,224,731	\$143,889,447	\$12,335,284

STATEMENT OF ACTIVITIES	2022	2021	CHANGE
Total Revenues	\$34,761,757	\$34,024,327	\$737,430
(Total Expenses)	(\$22,426,473)	(\$33,593,377)	\$11,166,904
Change in Net Position	\$12,335,284	\$430,950	\$11,904,334



THREE YEAR TRENDS: ENTERPRISE FUND - REVENUES AND EXPENDITURES



REVENUES	2022	2021	2020
Charges for Service	\$24,734,010	\$34,018,811	\$36,608,583
Investment Earnings	\$27,747	\$5,516	\$72,979
Total	\$34,761,757	\$34,024,327	\$36,681,562
EXPENDITURES	2022	2021	2020
Utility Expenditures	\$22,190,473	\$32,146,175	\$22,201,087
Transfer to Other Fund	\$236,000	\$1,447,202	\$ -
Total	\$22,426,473	\$33,593,377	\$22,201,087

Managing Debt

Issuing debt has several benefits for a municipality. Debt allows the Town to construct and utilize building, road and utility projects that could not otherwise be funded through existing cash resources. It also helps those who benefit most from the construction of these assets to finance that construction in future years. The Town utilizes only credit instruments approved by the Local Government Commission. Mooresville's General Governmental Debt of \$60.09 million is well below the limit set by North Carolina state statute. This debt is used to support such projects as new facilities, renovation of existing facilities, street improvements and more.

Enterprise-type debt, for the Town's water and sewer systems, totals \$40.40 million. This debt supports the building of new facilities for our water and sewer operations, and continuing capital infrastructure needs. Debt from the enterprise fund is repaid from business-related charges for service, not from taxes or general government revenues.

FUND BALANCE

Fund balance is perhaps the simplest indicator of a healthy financial system. Maintaining an adequate fund balance allows the Town to continue functioning at normal service levels during the period of the year before tax revenues are received and provides a financial "safety net" in the event of emergencies. Fund balance is considered a major factor by bond rating agencies when evaluating a municipality's credit worthiness.

FUND BALANCE COMPARISON	2022	2021
Unassigned Fund Balance	\$62,220,295	\$56,128,087
Subsequent Year Budgeted Expenditures and Transfers	\$98,356,464	\$78,690,973
Fund Balance as a Percentage of Expenditures and Transfers	63.26%	71.33%

BOND RATINGS

A municipality's bond rating indicates its credit worthiness. The stronger the rating, the lower the credit risk. The Town of Mooresville's extremely strong bond ratings highlight its ability to fulfill debt obligations. In February of 2022, Moody's upgraded the Town of Mooresville's General Obligation debt rating to Aaa. This is the first time the Town has received a triple A rating. This signifies a stable outlook that reflects the Town's financial position will remain healthy as the Town continues to grow and its tax base continues to increase.



MOODY RATING:

Aaa





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This kind of public-private partnership alleviates the burden on individual taxpayers and strengthens the bond between private businesses, individuals and the Town government that serves them.

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BUILDING BONDS

On Friday, April 8, 2022, the Town of Mooresville held a ceremonial media event for stakeholders in the East/West Connector-Phase I project. These stakeholders became community partners by pledging to sign over contributions and/or land right-of-way totaling \$7.6 million to make the East/West Connector project possible. The project, designed to improve traffic flow efficiency along Langtree Road will provide better access to corporate facilities in the area. Once complete, Phase I will be an economic driver for development in the southeast quadrant of Interstate 77 and Langtree Road for many years to come. This kind of public-private partnership alleviates the burden on individual taxpayers and strengthens the bond between private businesses, individuals and the Town government that serves them.



Capital Investments

In Fiscal Year 2021, the Town issued \$26.5 million in Public Safety Bonds for the construction of Fire Station 6, the Fire Training Center, the Fleet Building Expansion, and a new Police Headquarters. The Fleet Building Expansion was completed just after the close of the 2021 Fiscal Year. This expansion added a heavy equipment bay, which allowed for service of the Town's largest fleet vehicles, including the Town's fire apparatus. Construction of three public safety buildings continued throughout FY2022.

FIRE STATION 6

Construction of Fire Station 6 was completed in June of 2022. The grand opening celebration of the 13,000 square foot facility featured a local fire department custom of uncoupling the fire hose, rather than a traditional ribbon cutting. Visitors enjoyed touring the station which features decontamination areas, multiple bays for fire apparatus and living space for three shifts of firefighters. Fire Station 6 will serve the northeast section of Mooresville, which includes an industrial business district. The location of Station 6 will help the Mooresville Fire-Rescue Department maintain their ISO 1 rating by reducing call response times and will encourage further economic development due to the strategic position within Mooresville Business Park East. Construction was completed in under 15 months at a final cost of \$5.19 million.

FIRE TRAINING CENTER

Prior to 2013, Mooresville Firefighters were traveling up to 45 miles to receive basic firefighter training. When a six-story fire training center was constructed in 2013, firefighters could train in a facility that offered fire-rescue simulations within the Town of Mooresville. As the Town continued to expand, so did the need for adequate and appropriate training. Recognizing this need, the Town designed and constructed a facility adjacent to the existing training center to house more training opportunities. The new facility offers five bays for apparatus storage and classroom space for study and guest speakers. Most importantly, the facility has its own locker room and decontamination area, removing the need for travel between facilities and reducing carcinogenic exposure after live burn training. The \$2.8 million facility opened to a crowd of supporters on April 7th, 2022.





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The new police department facility is designed to include ample office space, collaborative spaces, abundant parking, and bulk evidence storage

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POLICE HEADQUARTERS

The Mooresville Police Department will soon be moving into a new 50,000 square foot, 2-story headquarters strategically located at the corner of Wilson Avenue and Charlotte Highway. With the majority of construction completed in fiscal year 2022, finishing touches, inspections and the official move will occur in the first quarter of fiscal year 2023. The new facility is designed to include ample office space, collaborative spaces, abundant parking, and bulk evidence storage. There will be a fitness facility for personnel and a community gathering room for public events. This centrally located facility will improve response rates and provide greater opportunities for the Mooresville Police Department to enhance the safety and security of a growing community. Budgeted cost for construction is \$19.6 million.

Ongoing Capital Projects

STREET PROJECTS

● Completed ○ Ongoing

- Charlotte Street Improvements
- NC 801/NC 150*
- 7.9 Miles of street resurfacing
- 10.5 Miles of Pavement Preservation
- Faith Road/NC HWY 115 Intersection*
- West Wilson Avenue Improvements
- East West Connector
- East West Connector Phase II
- Mazeppa Flyover
- Mill Village Upgrades Phase II
- West Wilson Bridge Repair
- Ashe Alley resurfacing
- 9.14 additional miles of street resurfacing
- 30.22 Miles of Pavement Preservation

**Project in partnership with NCDOT*



LIBERTY PARK PHASE II

New entrances from Downtown and a bandshell added to Liberty Park during 2019-2020 renovations increased pedestrian traffic and brought a variety of entertainment opportunities to the park. Further investments during Phase II will include a new pavilion, a restroom building, and play structures for kids. The children's play area will include a splash pad water feature, sure to please the smallest citizens. Stream restoration and enhancement of the existing falls areas, and new pedestrian bridges and trails, will provide safe access to this natural amenity and offer connection to adjacent neighborhoods. The Town's investment in Liberty Park will provide a premier outdoor gathering space to nurture the bonds with a community full of neighbors, friends, and family.





SKATE PARK

Mooresville Skate Park is undergoing a transformation that will be enjoyed by all ages. The upgrade is designed to provide Mooresville's growing skate community with more challenging obstacles, along with familiar favorites. The park will feature two bowls, a snake run and a large street plaza. Also included are restrooms, stadium style lighting, and shaded viewing areas. At close to 40,000 square feet the park will be the largest in North Carolina and admission will be free.



CORNELIUS ROAD PARK PHASE II

Currently in a preliminary planning state, the design process for Cornelius Road Park Phase II will aim to complete the remaining areas of the park by including additional parking, lighting, restrooms, and concessions in the back areas of the park. This process will also include any additional utilities and infrastructure needed to complete the park. The design is expected to be complete by summer of 2023.

Originally opened in 2013, as seen in the picture above, Cornelius Road Park continues to be enjoyed by the Mooresville community. This expansion will bring further recreation options to the area.

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The Mooresville Skate Park will be the largest in North Carolina at approximately to 40,000 square feet and admission will be free.

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On the Cover: The Town's issuance of Public Safety Bonds in December of 2020 has come to fruition with the opening of the Fire Training Center, Fire Station 6 and the new Police Headquarters. This investment in the Town's Fire and Police Departments will enhance the safety and security of the Town as it continues to grow.


Below: The Mooresville Public Library began in 1890 and has seen many changes since. Most recently, the town began renovation on an existing structure which will soon become the Town's second library branch. The West Branch is scheduled to open in Fiscal Year 2023.




*Photo Credits:
Town of Mooresville*

TOWN OF MOORESVILLE

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 www.MooresvilleNC.gov

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