

TOWN OF UNIONVILLE MINUTES OF REGULAR MEETING

The Town Council of the Town of Unionville met on Monday, January 17, 2022 in Unionville Town Hall, 1102 Unionville Church Road, Monroe, NC. Mayor Baucom and Commissioners Andrew Benton, Jeff Broadaway, Gene Price and Jaren Simpson were present. Commissioner Chad Simpson and Attorney Ken Helms were absent.

Everyone stood and recited the Pledge of Allegiance to the United States flag, after which Commissioner Price led the prayer of invocation.

Mayor Baucom welcomed everyone to the meeting and asked for public comments. There were no public comments.

Upon motion duly made by Andrew Benton, seconded by Jeff Broadaway, Council unanimously approved the minutes of the December 20, 2022 regular meeting.

Mayor Baucom recognized Finance Officer Darrell Baucom, who reviewed the Financial Statement, a copy of which is appended to these minutes. Mr. Baucom stated that the Balance Sheet shows the cash balance ahead of last year by \$275,000 mostly due to the American Rescue Plan (ARP) funds and an excess of revenue over expenses. ARP funds of \$107,000 are included in total income of \$393,000 which is ahead of budget. Significant items include contributions of \$3,715. The total spent is \$192,000 versus the budget of \$300,000. Significant items since last month include Helms Robison Lee and Bennett for \$10,205; PHS Band Boosters contribution of \$10,000 and Union County Elections of \$6,443. In Pending Bills, significant items include various tax refunds for farm-deferred properties and overpayments and Helms Robison Lee & Bennett for December legal fees of \$960. Mayor Baucom made inquiry as to when the ARP funds must be designated. Mr. Baucom stated that we have until 2024 to designate funds. The second half of the ARP payment will be distributed this summer after the beginning of the next fiscal year. Upon motion duly made by Gene Price, seconded by Jaren Simpson, Council unanimously approved payment of pending bills.

Mayor Baucom recognized Mr. Jimmy Hanna with J.B. Watson and Company to review the June 30, 2021 annual audit, a copy of which is appended to these minutes. Mr. Hanna thanked the Town for the opportunity to perform the annual audit. He gave the Town a clean report, stating that everything is in order and free of errors. His finding is that a Town of our size limits separation of duties due to the small staff availability, which is the same every year. There were no problems with the audit this year. Mr. Hanna stated that the Town's net position is shown two different ways on the Balance Sheet—the government-wide basis and the fund accounting basis. The Town's unassigned fund balance is \$3,154,791. The Statement of Net Position also includes land and capital assets. The fund basis of accounting expenses

equipment and depreciation calculated on assets. The other difference is the pension deferrals of the Town's contributions to the state--the state provides the retiring system numbers. This creates a liability for the Town's future retirement. The Town pays in based upon the actuary and this shows what else is owed for future liability above what's already paid.

He then drew Council's attention to the Income Statement. This shows two ways of calculation—net income and budget method of accounting. The major categories of expenditures reflect a \$99,547 profit. On Page 7 there is a more detailed Income Statement. Exhibit 5 shows the original budget adopted June, 2020, the final budget amendments from June 30, 2021 and what the profit and variance difference was from the original to the final budget. The Town was not over budget on any expenses this year. Pages 23 and 24 show a more detailed Income Statement with taxes, penalties and interest. This is the same as expenses. Again, it was a clean audit.

Mr. Hanna distributed two handouts to Council, a copy of which is appended to these minutes. The first one is the Town of Unionville Financial Statement Comparison as of June 30, 2021. It indicates how Unionville compares to other towns with similar population. The state-wide average fund balance available as a percentage is 77.29 percent; Unionville is at 896.14 percent, which is outstanding! The Local Government Commission wants it to be at least 25 percent. Overall collection of property taxes was 98.25 percent for ad valorem taxes and 100 percent for motor vehicles. The Town's current ad valorem tax rate is \$.02/\$100 valuation. Also included is the Volunteer Fire Department grant, which passed through the Town. This year, the Town will receive more American Rescue Plan funding also. A new form for this year is the Performance Indicators of Concern. The general fund expenditure range for Unionville is from \$100,000 - \$999,999. The fund balance should be at 71 percent; Town of Unionville is at 896 percent. There are no violations to report. The audit reporter finds that there is a lack of segregation of duties due to the size of the Town. Local Government Commission is comfortable not addressing this issue if it's the only finding. There being no questions from Town Council, Mr. Hanna thanked the Council for allowing J. B. Watson to perform the audit again this year.

There being no one present from Unionville Elementary School, Mayor Baucom drew Council's attention to Craig Rushing's and Ken Trull's Planning Board seat vacancies, as their second terms expire in February, 2022. Upon motion duly made by Jaren Simpson, seconded by Gene Price, Council unanimously appointed alternate Devin Clontz to fill Craig Rushing's Planning Board seat. Upon motion duly made by Gene Price, seconded by Jeff Broadaway, Council unanimously appointed applicant Roddie Baucom to fill Ken Trull's Planning Board seat.

There being no further business, Mayor Baucom declared the meeting adjourned.

Respectfully submitted,

Sonya W. Gaddy
Clerk

Approved as to form:

R. Kenneth Helms, Jr., Town Attorney