

YADKIN COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

YADKIN COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS
 June 30, 2021

	<u>Page(s)</u>
FINANCIAL SECTION	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
<u>Exhibit</u> Government-wide Financial Statements:	
1 Statement of Net Position	13
2 Statement of Activities	14
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds	15
3a Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
4 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
4a Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	18
5 General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	19
6 Statement of Net Position - Proprietary Funds	20
7 Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	21
8 Statement of Cash Flows – Proprietary Funds	22-23
9 Statement of Fiduciary Net Position – Fiduciary Funds	24
10 Statement of Changes in Fiduciary Net Position - Fiduciary Funds	25
Notes to the Financial Statements	26-59

YADKIN COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS
 June 30, 2021

	<u>Page(s)</u>
Required Supplemental Financial Data:	
<u>Schedule</u>	
A-1	Local Government Employee's Retirement System - Schedule of Proportionate Share of the Net Pension Liability (Asset) 60
A-2	Local Government Employee's Retirement System - Schedule of County's Contributions 61
A-3	Register of Deeds' Supplemental Pension Fund - Schedule of Proportionate Share of the Net Pension Liability (Asset) 62
A-4	Register of Deeds' Supplemental Pension Fund - Schedule of County's Contributions 63
A-5	Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability (LEO) 64
A-6	Law Enforcement Officers' Special Separation Allowance- Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEO) 65
A-7	Schedule of Changes in the Total OPEB Liability and Related Ratios 66
Supplementary Information:	
General Fund:	
B-1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 67-75
Other Major Governmental Fund:	
C-1	Coronavirus Relief Fund- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 76
C-2	Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 77
Non-Major Governmental Funds:	
D-1	Combining Balance Sheet 78
D-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances 79

YADKIN COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS
 June 30, 2021

	<u>Page(s)</u>
Non-Major Special Revenue Funds:	
D-3 Combining Balance Sheet	80
D-4 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	81
D-5 Emergency Telephone System Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	82
D-6 Law Enforcement Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	83
D-7 Fire Districts Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	84
D-8 Occupancy Tax Revenue Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85
D-9 Deed of Trust Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86
D-10 Fines and Forfeitures Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
D-11 Representative Payee Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	88
D-12 Corona Virus Relief Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89
 Non-Major Capital Project Fund:	
D-13 Vehicle Replacement Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
 Enterprise Fund:	
E-1 Landfill Fund - Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)	91-92
E-2 Water and Sewer Fund: Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	93-94

YADKIN COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS
 June 30, 2021

	<u>Page(s)</u>
Internal Service Fund:	
E-3	Group Insurance Internal Service Fund: Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP) 95
Combining Fiduciary Fund Statements - Custodial Funds	
F-1	Combining Statement of Fiduciary Net Position - Custodial Funds 96
F-2	Combining Statement of Changes in Fiduciary Net Position - Custodial Funds 97
Additional Financial Data:	
G-1	Schedule of Ad Valorem Taxes Receivable - General Fund 98
G-2	Analysis of Current Tax Levy - County-Wide Levy 99-100
G-3	Ten Largest Taxpayers 101
COMPLIANCE SECTION	
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> . 102-103	
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act 104-105	
Independent Auditors' Report on Compliance with Requirements Applicable to each Major State Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act 106-107	
Schedule of Findings and Questioned Costs 108-112	
Corrective Action Plan 113	
Summary Schedule of Prior Audit Findings 114	
Schedule of Expenditures of Federal and State Awards 115-119	

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Yadkin County
Yadkinville, North Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information Yadkin County, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, 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 Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 4 through 12 and 60 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and 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 County of Yadkin's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules 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, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose 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. In our opinion, based on our audit, the procedures performed as described above, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2021 on our consideration of Yadkin County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Yadkin County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

October 8, 2021

Management's Discussion and Analysis

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

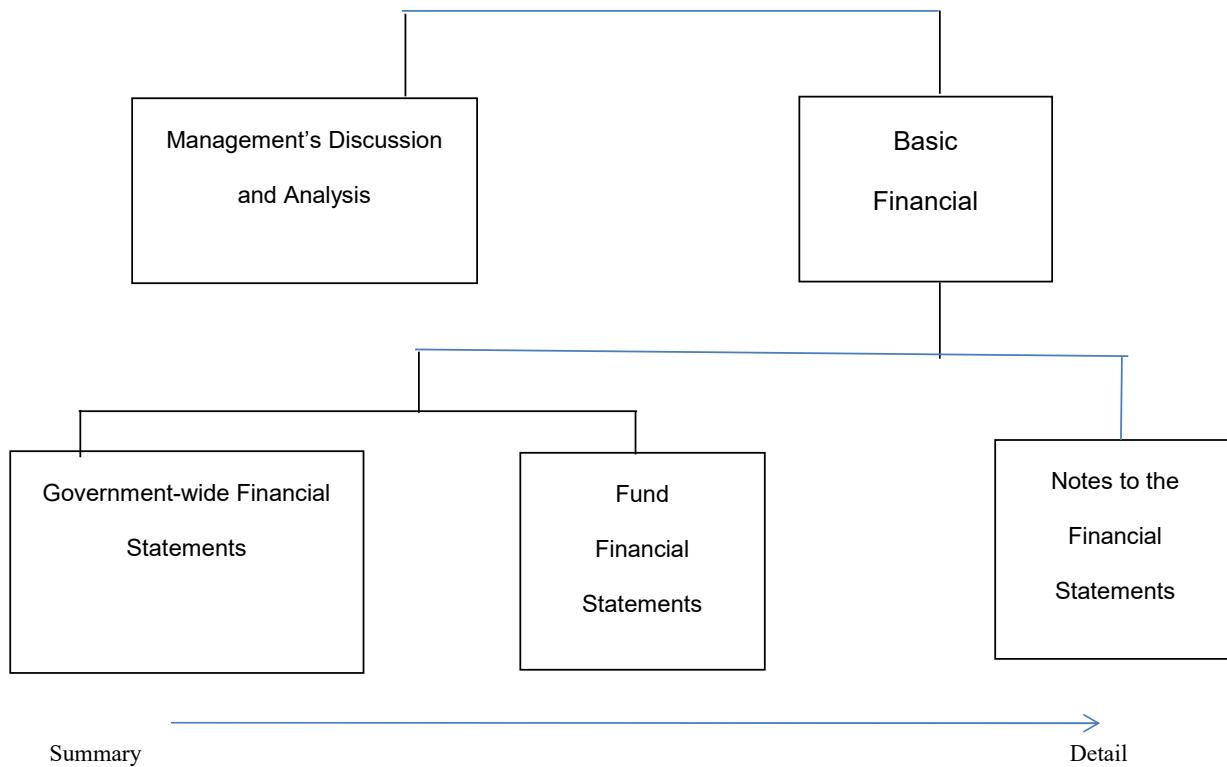
Financial Highlights

- The assets and deferred outflows of resources of Yadkin County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$55,208,890 (net position).
- The County's total net position increased by \$4,117,827, primarily due to controlled expenses, project expenses that are capitalized, and the implementation of GASB Statement No. 84, *Fiduciary Activities*, which created three new special revenue funds that were once treated as agency funds.
- As of the close of the current fiscal year, Yadkin County's total governmental funds reported combined ending fund balances of \$21,638,416, after a net increase in fund balance of \$1,917,265. Approximately 19.13% of this total amount, or \$4,139,811 is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,542,767, or 25.91 percent of total General Fund expenditures and transfers out for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Yadkin County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County 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 Yadkin County.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statement.

The next section of the basic financial statements is the **notes to the financial statements**. 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 County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the **required supplemental information**. This section contains funding information about the County's pension plans and other post-employment benefits.

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of Yadkin County's assets deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Yadkin County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

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 County's basic services, such as public safety, parks and recreation, and general administration. Property taxes and Federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Yadkin County. The final category is the component unit. Although legally separate from Yadkin County, the Yadkin County Tourism Development Authority is important to the County because the County exercises control over the Board by appointing its members.

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

Fund Financial Statements

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. Yadkin County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Yadkin County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's 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*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government 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.

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

Proprietary Funds – Yadkin County maintains two types of proprietary funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Yadkin County uses enterprise funds to account for its water and sewer activity and for its landfill operations (which includes a transfer station and seven convenience sites). Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund for the accumulation and allocation of costs associated with providing medical insurance to County employees and their dependents. Because this activity predominately benefits governmental rather than business-type activities, the internal service fund has been included with governmental activities in the government-wide financial statements.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 9.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Yadkin County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$55,208,890 as of June 30, 2021. The County's net position increased by \$4,117,827 for the fiscal year ended June 30, 2021. One of the largest portions of net position \$40,825,926 (73.95%), reflects the County's net investment in capital assets (e.g., land, buildings, machinery and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yadkin County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Yadkin County's total net position, \$4,203,444, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,179,520 is unrestricted.

The County provides long-term debt financing for the Yadkin County Board of Education without retaining ownership of the related real estate, resulting in a deficit of unrestricted net position on the County's financial statements as of June 30, 2021.

Yadkin County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 28,728,359	\$ 23,716,208	\$ 890,447	\$ 1,074,199	\$ 29,618,806	\$ 24,790,407
Capital assets	54,283,832	52,588,879	9,895,882	10,249,430	64,179,714	62,838,309
Total assets	83,012,191	76,305,087	10,786,329	11,323,629	93,798,520	87,628,716
 Total deferred outflows of resources	 6,362,684	 4,826,223	 118,582	 100,862	 6,481,266	 4,927,085
Long-term liabilities outstanding	32,095,604	31,245,527	3,743,730	3,904,098	35,839,334	35,149,625
Other liabilities	8,664,732	5,891,476	153,516	127,596	8,818,247	6,019,072
Total liabilities	40,760,336	37,137,003	3,897,245	4,031,694	44,657,581	41,168,697
 Total deferred inflows of resources	 408,228	 480,864	 5,087	 5,868	 413,315	 486,732
Net position:						
Net investment in capital assets	34,383,403	43,776,592	6,442,523	6,592,932	40,825,926	50,369,524
Restricted	4,203,444	3,468,578	-	-	4,203,444	3,468,578
Unrestricted	9,619,464	(3,731,727)	560,056	793,998	10,179,520	(2,937,729)
Total net position	\$ 48,206,311	\$ 43,513,443	\$ 7,002,579	\$ 7,386,930	\$ 55,208,890	\$ 50,900,373

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

- Continued diligence in the collection of property taxes by increasing the collection percentage to 98.34%, which is slightly lower than the statewide average of 98.83%.
- Continued decreases in long-term liabilities as existing debt principal was repaid.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

Yadkin County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3,532,911	\$ 3,138,096	\$ 2,876,878	\$ 2,555,038	\$ 6,409,789	\$ 5,693,134
Operating grants and contributions	7,191,887	4,889,239	100,416	102,707	7,292,303	4,991,946
Capital grants and contributions	300,000	300,000	1,414	2,213	301,414	302,213
General revenues:						
Property taxes	23,282,681	22,668,934	-	-	23,282,681	22,668,934
Other taxes	10,428,537	9,115,072	-	-	10,428,537	9,115,072
Other	45,673	171,318	-	-	45,673	171,318
Total revenues	44,781,689	40,282,659	2,978,708	2,659,958	47,760,397	42,942,617
Expenses:						
General government	5,344,954	5,417,942	-	-	5,344,954	5,417,942
Public safety	13,287,291	10,418,372	-	-	13,287,291	10,418,372
Economic and physical development	748,377	794,135	-	-	748,377	794,135
Human services	10,993,707	8,428,308	-	-	10,993,707	8,428,308
Cultural and recreation	1,215,583	3,583,852	-	-	1,215,583	3,583,852
Education	8,150,777	8,110,180	-	-	8,150,777	8,110,180
Interest on long-term debt	530,335	634,424	-	-	530,335	634,424
Landfill	-	-	2,626,530	2,303,429	2,626,530	2,303,429
Water and sewer	-	-	745,016	736,688	745,016	736,688
Total expenses	40,271,024	37,387,213	3,371,546	3,040,117	43,642,570	40,427,330
Increase (decrease) in net position before transfers	4,510,665	2,895,446	(392,838)	(380,159)	4,117,827	2,515,287
Transfers	(8,487)	45,645	8,487	(45,645)	-	-
Increase (decrease) in net position	4,502,178	2,941,091	(384,351)	(425,804)	4,117,827	2,515,287
Net position, beginning	43,513,443	40,572,352	7,386,930	7,812,734	50,900,373	48,385,086
Net position, restated	43,704,133	40,572,352	7,386,930	7,812,734	51,091,063	48,385,086
Net position, ending	\$ 48,206,311	\$ 43,513,443	\$ 7,002,579	\$ 7,386,930	\$ 55,208,890	\$ 50,900,373

Governmental activities. Governmental activities increased the County's net position by \$4,502,178. Key elements of this increase are as follows:

- Increase in property tax collection percentage
- Increase in local option sales tax funds
- Receipt of \$1,890,230 in Coronavirus Funding

Business-type activities. Business-type activities decreased the County's net position by \$384,351. Key elements of this decrease are as follows:

- Operations of the landfill decreased net position of the business-type activities by \$14,899, while operations of the Water and Sewer Fund decreased net position by \$369,452. The Water and Sewer fund decrease in net position is largely due to depreciation expense. The County does not receive revenue from the 601 water line which is leased. This fund is expected to be self-sustaining.

Financial Analysis of the County's Funds

As noted earlier, Yadkin County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of Yadkin County. At the end of the current fiscal year, Yadkin County's fund balance available in the General Fund was \$14,832,162 while total fund balance reached \$18,163,429. Overall, fund balance increased \$2,805,574 from current year activities. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 40.27 percent of total General Fund expenditures, while total fund balance represents 49.31 percent of that same amount.

As of the end of the current fiscal year, Yadkin County's governmental funds reported combined ending fund balances of \$21,638,416 an increase of \$1,917,265 in comparison with the prior year. This increase is due to the increase in local option sales tax revenue and property tax collections in the General Fund.

At the end of the current fiscal year, Yadkin County's fund balance available in the Capital Projects Fund was \$2,750,822, while total fund balance for the Capital Projects Fund reached \$2,759,199. Overall, fund balance decreased \$548,603 from current year activities.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,075,979. Appropriated fund balance was \$3,214,996.

Proprietary Funds. Yadkin County's proprietary funds provide the same type of information found in the government-wide statements but in more detail.

At June 30, 2021, unrestricted net position of the Landfill Fund (Solid Waste Fund) was a deficit of \$146,584. The total decrease in the unrestricted net position of the Landfill Fund (Solid Waste Fund) was \$57,267, as compared to the deficit unrestricted net position of \$89,317 at June 30, 2020. This deficit is primarily due to the implementation of GASB 75.

At June 30, 2021, unrestricted net position of the Water and Sewer Fund totaled \$706,640. The total increase in the unrestricted net position of the Water and Sewer Fund was \$176,675, as compared to the unrestricted net position of \$883,315 at June 30, 2020. The Water and Sewer Fund should be self-sustaining, as it currently consists of two water lines. The County operates and maintains the East Bend Waterline. The County maintains the HWY 21 Waterline, but contracts with the Town of Jonesville to do the billing. The County has executed a contract with the Town of Yadkinville for the maintenance and operation of the 601 Waterline. The Town of Yadkinville assumes the responsibility for the operation and maintenance of the leased lines, bearing the cost and keeping the collections, but the asset and related depreciation remains on the County's books.

Capital Asset and Debt Administration

Capital assets. Yadkin County's capital assets for its governmental and business – type activities as of June 30, 2021, totals \$64,179,714 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, furniture, fixtures and equipment, construction in progress, machinery and equipment, and vehicles.

**Yadkin County's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,886,653	\$ 5,715,423	\$ 278,462	\$ 278,462	\$ 6,165,115	\$ 5,993,885
Construction in process	5,602,583	3,443,768	-	-	5,602,583	3,443,768
Buildings	40,270,157	41,412,771	37,247	44,324	40,307,404	41,457,095
Improvements	-	-	22,836	25,273	22,836	25,273
Water and sewer lines	-	-	9,495,431	9,891,347	9,495,431	9,891,347
Furniture and equipment	1,135,119	910,488	61,906	10,024	1,197,025	920,512
Vehicles	1,389,320	1,106,429	-	-	1,389,320	1,106,429
Total	\$ 54,283,832	\$ 52,588,879	\$ 9,895,882	\$ 10,249,430	\$ 64,179,714	\$ 62,838,309

Major capital asset transactions during the year include:

- Purchase of new vehicles for the Sheriff's Office, Recreation, Health, EMS, and Social Services as well as two ambulances
- Purchase of medical equipment, body scanners, and voting machines
- Continued Phase II of the Memorial Park, partially funded through the PartF Grant
- Continued construction of the Sheriff Admin Office Building

Long-Term Debt

Yadkin County's Outstanding Long-Term Obligations

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment purchase obligations	\$ 19,261,193	\$ 21,479,852	\$ 3,453,359	\$ 3,656,498	\$ 22,714,552	\$ 25,136,350
Net pension liability (LGERS)	5,560,617	4,270,758	107,908	82,878	5,668,525	4,353,636
Total pension liability (LEOSSA)	926,837	518,228	-	-	926,837	518,228
Compensated absences	891,291	823,521	14,374	18,973	905,665	842,494
Total OPEB Liability	8,941,261	7,683,539	165,997	142,646	9,107,258	7,826,185
	\$ 35,581,199	\$ 34,775,898	\$ 3,741,638	\$ 3,900,995	\$ 39,322,837	\$ 38,676,893

Yadkin County's total debt increased by \$645,944 (1.67 percent) during the past fiscal year, primarily due to the new debt for the Sheriff's Administration Building project exceeding scheduled principal repayments on existing installment purchase agreements.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Yadkin County is \$234,121,699.

Economic Factors and Next Year's Budgets and Rates

- The County's unemployment rate has decreased from 7.6% in June of 2020 to 4% in June of 2021, which is below the State average of 4.6%.
- Yadkin County is currently designated as Tier 2 by the Department of Commerce based upon its economic well-being and the number of families in the County that are at or below the poverty line.
- The County continues to improve and expand water and sewer infrastructure in order to promote economic development.

All of these factors were considered in preparing Yadkin County's budget for the 2021-22 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The General Fund projected revenues are expected to be higher than anticipated revenues realized during the fiscal year ended June 30, 2021, primarily due to increase revenues such as sales tax, rental income from the hospital facility and the banquet rooms in the Yadkin County Agricultural & Education Building. The General Fund expenses are to increase compared to the fiscal year end June 30, 2021 as well. The Board of Commissioners maintained the property tax rate of .66 per \$100 in Fiscal Year 2021. The County will complete construction on a new Sheriff's Administration Building in FY 2022.

Business-type Activities: The County maintains Highway 21 waterline and contracts with the Town of Jonesville for water purchase and customer billing. The County also maintains and bills for the the East Bend Waterline. The County continues to lease the remaining water and sewer line to the Town of Yadkinville to operate and maintain; the Town of Yadkinville will collect all revenues from the line and bear all expenses.

Requests for Information

This financial report is designed to provide a general overview of Yadkin County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Officer, Yadkin County, 217 East Willow Street, Yadkinville, North Carolina 27055, or the Office of the County Manager at the same location.

BASIC
FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Yadkin County			Tourism
	Governmental	Business-type	Total	
ASSETS				Development
Cash and cash equivalents	\$ 20,930,956	\$ 704,725	\$ 21,635,681	Authority
Taxes receivable, net	431,391	-	431,391	-
Accounts Receivables, net	1,354,064	220,210	1,574,274	-
Notes receivable, net	362,721	-	362,721	-
Other receivable	-	-	-	-
Due from other governments	1,757,583	-	1,757,583	-
Internal balances	55,954	(55,954)	-	-
Restricted cash and cash equivalents	3,767,887	-	3,767,887	-
Inventories	-	21,466	21,466	-
Net pension asset - ROD	67,803	-	67,803	-
Capital assets:				-
Land, improvements, and construction in progress	11,489,236	278,462	11,767,698	-
Other capital assets, net of depreciation	42,794,596	9,617,420	52,412,016	-
Total capital assets	<u>54,283,832</u>	<u>9,895,882</u>	<u>64,179,714</u>	-
Total assets	<u>83,012,191</u>	<u>10,786,329</u>	<u>93,798,520</u>	<u>61,193</u>
DEFERRED OUTFLOWS OF RESOURCES	6,362,684	118,582	6,481,266	-
LIABILITIES				
Accounts payable and accrued expenses	1,430,434	148,027	1,578,461	2,040
Miscellaneous liabilities	3,658,187	-	3,658,187	-
Customer deposits	-	-	-	-
Accrued interest payable	90,516	-	90,516	-
Long-term liabilities:				
Net Pension Liability - LGERS	5,560,617	107,908	5,668,525	-
Total Pension Liability - LEOSSA	926,837	-	926,837	-
Due within one year	3,485,595	5,489	3,491,083	-
Due in more than one year	25,608,150	3,635,822	29,243,972	-
Total long-term liabilities	<u>35,581,199</u>	<u>3,749,218</u>	<u>39,330,417</u>	-
Total liabilities	<u>40,760,336</u>	<u>3,897,245</u>	<u>44,657,581</u>	<u>2,040</u>
DEFERRED INFLOWS OF RESOURCES	408,228	5,087	413,315	-
NET POSITION				
Net investment in capital assets	34,383,403	6,442,523	40,825,926	-
Restricted for:				
Stabilization by State Statute	3,339,644	-	3,339,644	-
Tourism promotion	-	-	-	59,153
Public safety	800,167	-	800,167	-
Register of Deeds pension plan	63,633	-	63,633	-
Unrestricted (deficit)	9,619,464	560,056	10,179,520	-
Total net position	<u>\$ 48,206,311</u>	<u>\$ 7,002,579</u>	<u>\$ 55,208,890</u>	<u>\$ 59,153</u>

Yadkin County
Statement of Activities
June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Yadkin County Tourism Development Authority	
				Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary government:								
Governmental Activities:								
General government	\$ 5,344,954	\$ 1,030,542	\$ 5,100	\$ -	\$ (4,309,312)	\$ -	\$ (4,309,312)	
Public safety	13,287,291	2,222,916	365,310	-	(10,699,065)	-	(10,699,065)	
Economic and physical development	748,377	9,849	3,600	-	(734,928)	-	(734,928)	
Human services	10,993,707	202,196	6,749,899	-	(4,041,612)	-	(4,041,612)	
Cultural and recreation	1,215,583	67,408	67,978	-	(1,080,197)	-	(1,080,197)	
Education	8,150,777	-	-	300,000	(7,850,777)	-	(7,850,777)	
Interest/Fees on long-term debt	530,335	-	-	-	(530,335)	-	(530,335)	
Total governmental activities	40,271,024	3,532,911	7,191,887	300,000	(29,246,226)	-	(29,246,226)	
Business-type activities:								
Water and Sewer Fund	745,016	372,695	-	-	-	(372,321)	(372,321)	
Landfill	2,626,530	2,504,183	100,416	1,414	-	(20,517)	(20,517)	
Total business-type activities	3,371,546	2,876,878	100,416	1,414	-	(392,838)	(392,838)	
Total primary government	\$ 43,642,570	\$ 6,409,789	\$ 7,292,303	\$ 301,414	\$ (29,246,226)	\$ (392,838)	\$ (29,639,064)	
Component Unit:								
Yadkin County TDA	\$ 67,792	\$ -	\$ 21,500	\$ -			\$ (46,292)	
Total component unit	\$ 67,792	\$ -	\$ 21,500	\$ -			\$ (46,292)	
General revenues:								
Taxes:								
Property taxes, levied for general purpose			23,282,681		23,282,681		-	
Local option sales tax			10,073,725		10,073,725		-	
Other taxes and licenses			354,812		354,812		34,284	
Investment earnings, unrestricted			22,307		22,307		-	
Miscellaneous, unrestricted			23,366		23,366		18,660	
Transfers			(8,487)	8,487	-		-	
Total general revenues			33,748,404	8,487	33,756,891		52,944	
Change in net position			4,502,178	(384,351)	4,117,827		6,652	
Net position, beginning as previously reported			43,513,443	7,386,930	50,900,373		52,501	
Prior period restatement - change in accounting principle			190,690	-	190,690		-	
Net position, beginning, as restated			43,704,133	7,386,930	51,091,063		52,501	
Net position, ending			\$ 48,206,311	\$ 7,002,579	\$ 55,208,890		\$ 59,153	

Yadkin County
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			Nonmajor	
	General	American Rescue Plan	Capital Projects Fund	Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 15,801,852	\$ -	\$ 2,818,568	\$ 951,293	\$ 19,571,713
Restricted cash	109,700	3,658,187	-	-	3,767,887
Taxes receivables, net	377,027	-	-	41,304	418,331
Accounts receivable, net	1,353,880	-	184	-	1,354,064
Other short-term receivable	362,721	-	-	-	362,721
Due from other governments	1,749,390	-	8,193	-	1,757,583
Due from other funds	252,144	-	-	-	252,144
Total assets	<u>20,006,714</u>	<u>3,658,187</u>	<u>2,826,945</u>	<u>992,597</u>	<u>27,484,443</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	1,066,572	-	67,746	39,315	1,173,633
Due to other funds	-	-	-	196,190	196,190
Unspent ARP Funding	-	3,658,187	-	-	3,658,187
Total liabilities	<u>1,066,572</u>	<u>3,658,187</u>	<u>67,746</u>	<u>235,505</u>	<u>5,028,010</u>
DEFERRED INFLOWS OF RESOURCES	<u>776,713</u>	<u>-</u>	<u>-</u>	<u>41,304</u>	<u>818,017</u>
Fund Balances:					
Restricted:					
Stabilization by State Statute	3,331,267	-	8,377	-	3,339,644
Restricted, all other	-	-	-	800,167	800,167
Committed:	3,609,700	-	2,750,822	116,071	6,476,593
Assigned:	1,679,695	-	-	-	1,679,695
Unassigned	9,542,767	-	-	(200,450)	9,342,317
Total fund balances	<u>18,163,429</u>	<u>-</u>	<u>2,759,199</u>	<u>715,788</u>	<u>21,638,416</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,006,714</u>	<u>\$ 3,658,187</u>	<u>\$ 2,826,945</u>	<u>\$ 992,597</u>	

(cont.)

Yadkin County
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2021

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

Total Fund Balance - Governmental Funds	\$ 21,638,416
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide statement in governmental activities column)	75,323,290
Less accumulated depreciation	(21,039,458)
Net capital assets	<u>54,283,832</u>
Net Pension Asset (ROD)	67,803
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,094,233
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	11,914
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	309,884
Deferred outflows of resources:	
LGERS	1,902,751
Register of Deeds	2,471
LEOSSA	336,678
OPEB	2,704,753
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	13,060
Deferred inflows of resources reported in the government-wide statements but not the fund statements:	
LGERS	(83,832)
Register of Deeds	(9,877)
LEOSSA	(115,286)
OPEB	(186,415)
Deferred inflows of resources for taxes receivable, EMS receivables, and health receivables	805,199
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore reported in the fund statements:	
Bonds, leases, and installment financing	(19,261,193)
Compensated absences	(891,291)
Total pension liability (LEOSSA)	(926,837)
Total OPEB liability	(8,941,261)
Net Pension liability (LGERS)	(5,560,617)
Accrued interest payable	(90,516)
An internal service fund is used to charge the cost of medical insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position	<u>1,102,441</u>
Net position of governmental activities	<u><u>\$ 48,206,311</u></u>

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

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

	Major Funds			Nonmajor	
	General Fund	American Rescue Plan	Capital Projects Fund	Governmental Funds	Total
REVENUES					
Ad valorem taxes	\$ 21,143,660	\$ -	\$ -	\$ 2,268,686	\$ 23,412,346
Local option sales taxes	9,917,739	-	-	155,986	10,073,725
Other taxes and licenses	134,567	-	-	-	134,567
Unrestricted intergovernmental	79,113	-	-	-	79,113
Restricted intergovernmental	5,139,482	-	67,978	2,521,680	7,729,140
Permits and fees	489,883	-	-	20,285	510,168
Sales and services	2,450,286	-	-	132,258	2,582,544
Investment earnings	2,225	-	-	20,081	22,306
Miscellaneous	282,138	-	-	37,239	319,377
Total revenues	<u>39,639,093</u>	<u>-</u>	<u>67,978</u>	<u>5,156,215</u>	<u>44,863,286</u>
EXPENDITURES					
Current:					
General government	4,542,821	-	-	632,474	5,175,295
Public safety	10,409,137	-	1,311,707	2,727,022	14,447,866
Economic and physical development	529,052	-	-	34,284	563,336
Health and human services	8,221,972	-	-	2,392,141	10,614,113
Cultural and recreational	605,640	-	616,581	-	1,222,221
Education	8,150,777	-	-	-	8,150,777
Debt service:					
Principal	3,530,366	-	-	-	3,530,366
Interest and other charges	545,267	-	-	-	545,267
Total expenditures	<u>36,535,032</u>	<u>-</u>	<u>1,928,288</u>	<u>5,785,921</u>	<u>44,249,241</u>
Excess (deficiency) of revenues over expenditures	<u>3,104,061</u>	<u>-</u>	<u>(1,860,310)</u>	<u>(629,706)</u>	<u>614,045</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	290,000	290,000
Transfers to other funds	(298,487)	-	-	-	(298,487)
Installment Purchase Obligations Issued	-	-	1,311,707	-	1,311,707
Total other financing sources (uses)	<u>(298,487)</u>	<u>-</u>	<u>1,311,707</u>	<u>290,000</u>	<u>1,303,220</u>
Net change in fund balance	<u>2,805,574</u>	<u>-</u>	<u>(548,603)</u>	<u>(339,706)</u>	<u>1,917,265</u>
Fund balances, beginning as previously reported	15,358,230	-	3,307,802	864,429	19,530,461
Prior period restatement - change in accounting principle	(375)	-	-	191,065	190,690
Fund balances, beginning as restated	<u>15,357,855</u>	<u>-</u>	<u>3,307,802</u>	<u>1,055,494</u>	<u>19,721,151</u>
Fund balances, ending	<u>\$ 18,163,429</u>	<u>\$ -</u>	<u>\$ 2,759,199</u>	<u>\$ 715,788</u>	<u>\$ 21,638,416</u>

Yadkin County
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds \$ 1,917,265

Exhibit 4 reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 60 days of year-end. Exhibit 2 reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

Property taxes	(126,780)
Sales and services	48,068

Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense; rather, it is an increase in capital assets.	3,577,420
---	-----------

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,882,467)
---	-------------

Principal payments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,530,366
---	-----------

New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position.	(1,311,707)
---	-------------

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,094,233
---	-----------

Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	11,914
--	--------

Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.	309,884
--	---------

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	(2,885)
---	---------

Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:

Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	14,932
Compensated absences	(67,770)
OPEB Expense	(768,161)
Pension expense	(1,977,872)

The portion of Internal Service Fund activities change in net assets allocable to governmental activities is reported with governmental activities in the Statement of Activities	135,738
---	---------

Total changes in net position of governmental activities	<u><u>\$ 4,502,178</u></u>
--	----------------------------

Yadkin County
General Fund and Annually Budgeted Major Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 20,348,500	\$ 20,348,500	\$ 21,143,660	\$ 795,160
Local option sales tax	6,777,000	7,371,171	9,917,739	2,546,568
Other taxes and licenses	135,400	135,400	134,567	(833)
Unrestricted intergovernmental	234,152	234,152	79,113	(155,039)
Restricted intergovernmental	4,981,266	5,134,633	5,139,482	4,849
Permits and fees	389,000	396,328	489,883	93,555
Sales and services	2,259,700	2,263,095	2,450,286	187,191
Investment earnings	30,000	30,000	2,225	(27,775)
Miscellaneous	84,770	187,492	282,138	94,646
Total revenues	35,239,788	36,100,771	39,639,093	3,538,322
Expenditures:				
Current:				
General government	4,389,278	4,927,033	4,542,821	384,212
Public safety	10,686,740	11,183,708	10,409,137	774,571
Economic and physical	607,735	625,675	529,052	96,623
Human services	8,820,829	9,171,058	8,221,972	949,086
Cultural and recreational	570,825	654,111	605,640	48,471
Education	7,859,511	8,150,825	8,150,777	48
Debt service:				
Principal	3,530,385	3,530,385	3,530,366	19
Interest	626,975	626,975	545,267	81,708
Total expenditures	37,092,278	38,869,770	36,535,032	2,334,738
Revenues over (under) expenditures	(1,852,490)	(2,768,999)	3,104,061	5,873,060
Other financing sources (uses):				
Transfers to other funds	(147,510)	(445,997)	(298,487)	147,510
Appropriated fund balance	2,000,000	3,214,996	-	(3,214,996)
Total other financing sources (uses)	1,852,490	2,768,999	(298,487)	(3,067,486)
Net change in fund balance	\$ -	\$ -	2,805,574	\$ 2,805,574
Fund balance, beginning of year			15,358,230	
Prior period restatement - change in accounting principle			(375)	
Fund balance, end of year	\$ 18,163,429			

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

	Business-Type Activities			Governmental Activities	
	Major			Internal	
	Landfill Fund	Water and Sewer Fund	Total	Service Fund	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 704,725	\$ 704,725	\$ 1,359,243	
Accounts receivable, net	178,154	42,056	220,210	-	
Due from other governments	-	-	-	-	
Inventories	-	21,466	21,466	-	
Total current assets	<u>178,154</u>	<u>768,247</u>	<u>946,401</u>	<u>1,359,243</u>	
Noncurrent assets:					
Capital assets:					
Land and construction in progress	278,462	-	278,462	-	
Other capital assets, net of depreciation	121,989	9,495,431	9,617,420	-	
Total capital assets	<u>400,451</u>	<u>9,495,431</u>	<u>9,895,882</u>		
Total assets	<u>578,605</u>	<u>10,263,678</u>	<u>10,842,283</u>	<u>1,359,243</u>	
DEFERRED OUTFLOWS OF RESOURCES	<u>90,498</u>	<u>28,084</u>	<u>118,582</u>		<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	131,534	16,493	148,027	256,801	
Due to other funds	55,954	-	55,954	-	
Accrued vacation benefits	3,594	1,895	5,489	-	
Total current liabilities	<u>191,082</u>	<u>18,388</u>	<u>209,470</u>	<u>256,801</u>	
Noncurrent liabilities:					
Compensated absences-accrued vacation	10,781	5,685	16,466	-	
Net pension liability	71,544	36,364	107,908	-	
Net OPEB liability	137,877	28,120	165,997	-	
Long-term debt, non-current portion	-	3,453,359	3,453,359	-	
Total noncurrent liabilities	<u>220,202</u>	<u>3,523,528</u>	<u>3,743,730</u>		
Total liabilities	<u>411,283</u>	<u>3,541,916</u>	<u>3,953,199</u>	<u>256,801</u>	
DEFERRED INFLOWS OF RESOURCES	<u>3,953</u>	<u>1,134</u>	<u>5,087</u>		<u>-</u>
NET POSITION					
Net investment in capital assets	400,451	6,042,072	6,442,523	-	
Unrestricted	(146,584)	706,640	560,056	1,102,442	
Total net position	<u>\$ 253,867</u>	<u>\$ 6,748,712</u>	<u>\$ 7,002,579</u>	<u>\$ 1,102,442</u>	

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

Yadkin County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities			Governmental Activities Internal Service Fund	
	Major		Total		
	Landfill Fund	Water and Sewer Fund			
OPERATING REVENUES					
Charges for services	\$ 2,504,183	\$ 372,695	\$ 2,876,878	\$ 2,850,268	
OPERATING EXPENSES					
Solid Waste	2,560,174	-	2,560,174	-	
Recycling	53,826	-	53,826	-	
Water and Sewer	-	349,101	349,101	-	
Group Insurance	-	-	-	2,714,529	
Depreciation	12,530	395,915	408,445	-	
Total operating expenses	2,626,530	745,016	3,371,546	2,714,529	
Operating income (loss)	(122,347)	(372,321)	(494,668)	135,739	
NONOPERATING REVENUES (EXPENSES)					
Solid waste disposal tax	29,314	-	29,314	-	
Scrap tire disposal tax	51,734	-	51,734	-	
White goods disposal tax	19,368	-	19,368	-	
Total nonoperating revenues (expenses)	100,416	-	100,416	-	
Income (loss) before contributions and transfers	(21,931)	(372,321)	(394,252)	135,739	
Capital contributions	1,414	-	1,414	-	
Transfer (to)/from other funds	5,618	2,869	8,487	-	
Change in net position	(14,899)	(369,452)	(384,351)	135,739	
Total net position, beginning	268,766	7,118,164	7,386,930	966,703	
Total net position, ending	\$ 253,867	\$ 6,748,712	\$ 7,002,579	\$ 1,102,442	

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

Yadkin County
Statement of Cash Flows
Proprietary Funds
June 30, 2021

	Business-Type Activities			Governmental Activities	
	Major		Total		
	Landfill Fund	Water and Sewer Fund			
Cash flows from operating activities:					
Cash received from customers	\$ 2,500,004	\$ 366,762	\$ 2,866,766	\$ 2,850,268	
Cash paid for goods and services	(2,318,154)	(227,413)	(2,545,567)	(2,721,857)	
Cash paid to employees for services	(249,940)	(117,403)	(367,343)	-	
Net cash provided (used) by operating activities	<u>(68,090)</u>	<u>21,946</u>	<u>(46,144)</u>	<u>128,411</u>	
Cash flows from noncapital financing activities:					
Intergovernmental non-operating revenues received	100,416	-	100,416	-	
Increase (decrease) in due to other funds	15,541	-	15,541	-	
Transfer from other funds	5,618	2,869	8,487	-	
Net cash provided (used) by noncapital financing activities	<u>121,575</u>	<u>2,869</u>	<u>124,444</u>	<u>-</u>	
Cash flows from capital and related financing activities:					
Construction of capital assets	(54,899)	-	(54,899)	-	
Proceeds from installment debt	-	-	-	-	
Principal paid on installment debt	-	(203,139)	(203,139)	-	
Capital contribution -federal and State grants	1,414	-	1,414	-	
Net cash used by capital and related financing activities	<u>(53,485)</u>	<u>(203,139)</u>	<u>(256,624)</u>	<u>-</u>	
Net increase (decrease) in cash and cash equivalents	-	(178,324)	(178,324)	128,411	
Cash and cash equivalents, beginning	-	883,049	883,049	1,230,832	
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ 704,725</u>	<u>\$ 704,725</u>	<u>\$ 1,359,243</u>	

Yadkin County
Statement of Cash Flows
Proprietary Funds
June 30, 2021

	Business-Type Activities			Governmental Activities	
	Major		Internal		
	Landfill Fund	Water and Sewer Fund			
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (122,347)	\$ (372,321)	\$ (494,668)	\$ 135,739	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	12,530	395,915	408,445	-	
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(4,179)	(5,933)	(10,112)	-	
(Increase) decrease in due from other government	-	-	-	-	
(Increase) decrease in deferred outflows of resources - pensions	(7,595)	(2,194)	(9,789)	-	
(Increase) decrease in deferred outflows of resources - OPEB	(5,550)	(2,381)	(7,931)	-	
Increase (decrease) in accounts payable	26,445	1,345	27,790	(7,328)	
Increase (decrease) in net pension liability	18,491	6,539	25,030	-	
Increase (decrease) in total OPEB liability	19,395	3,956	23,351	-	
Increase (decrease) in deferred inflows of resources - pensions	277	97	374	-	
Increase (decrease) in deferred inflows of resources - OPEB	(958)	(196)	(1,154)	-	
Increase (decrease) in accrued vacation benefits	(4,599)	(2,881)	(7,480)	-	
Total adjustments	<u>54,257</u>	<u>394,267</u>	<u>448,524</u>	<u>(7,328)</u>	
Net cash provided by (used in) operating activities	<u><u>\$ (68,090)</u></u>	<u><u>\$ 21,946</u></u>	<u><u>\$ (46,144)</u></u>	<u><u>\$ 128,411</u></u>	

Yadkin County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 18,655
Taxes receivable from other governments, net	<u>34,636</u>
Total assets	<u><u>53,291</u></u>
LIABILITIES	
Accounts Payable and accrued liabilities	-
Due to other governments	<u>-</u>
Total liabilities	<u><u>-</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>53,291</u>
Total fiduciary net position	<u><u>\$ 53,291</u></u>

Yadkin County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Total Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 539,648
Collections on behalf of inmates	<u>151,658</u>
Total additions	<u><u>691,306</u></u>
DEDUCTIONS	
Tax distributions to other governments	539,648
Payments on behalf of inmates	<u>145,945</u>
Total deductions	<u><u>685,593</u></u>
Net increase (decrease) in fiduciary net position	5,713
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	<u>47,578</u>
Net position, beginning, as restated	<u><u>47,578</u></u>
Net position, ending	<u><u>\$ 53,291</u></u>

Yadkin County
Notes to the Financial Statements
June 30, 2021

NOTE I: Summary Of Significant Accounting Policies

The accounting policies of Yadkin County, North Carolina (the "County") and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

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

Discretely Presented Component Unit

Yadkin County Tourism Development Authority

The Yadkin County Tourism Development Authority (the "TDA") was established in December 2007 to promote tourism in the County. The TDA has a June 30 year-end and is presented as if it is a separate fund of the County (discrete presentation). The County Commissioners appoint the TDA Board. The County is authorized under General Statute 105-164.4(a)(3) to collect an occupancy tax of 6% on gross revenues from hotel/motel room occupancy within the corporate limits. The collections are remitted to the Authority. The Authority is authorized to expend these funds to promote tourism to the Yadkin area. Complete financial statements for the Yadkin County Tourism Development Authority may be obtained at Yadkin County's administrative offices of 217 East Willow Street, Yadkinville, North Carolina 27055.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The County reports the following major governmental funds:

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

American Rescue Plan Fund - account for resources provided by the government to assist with COVID relief.

Capital Project Fund. The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

The County reports the following major enterprise funds:

Landfill Fund. This fund accounts for waste management and disposal, recycling services, and maintenance of closed disposal sites.

Water and Sewer Fund. This fund accounts for the operations and development of water and sewer lines within the County. A Capital Project fund has been established for the Water and Sewer Fund for the construction of water and sewer lines and water line extensions. This fund is consolidated with the Water and Sewer Fund (the operating fund) for financial reporting purposes.

Internal Service Fund. This fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County maintains one internal service fund, the Group Insurance Internal Service Fund.

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Nonmajor Funds. The County maintains nine legally budgeted funds. The Emergency Telephone System Fund, the Law Enforcement Fund, the Fire District Funds, the Occupancy Tax Revenue Fund, the Deed of Trust Fund, the Fines and Forfeitures Fund, the Representative Payee Fund, and the Coronavirus Relief Fund are reported as nonmajor special revenue funds, and the Vehicle Replacement Fund is reported as a nonmajor capital project fund.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Water & Sewer Fund, Landfill Fund, Vehicle Replacement Fund, and as required, for the special revenue funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Projects Fund and the Water and Sewer Capital Projects Fund, which is consolidated with the Water and Sewer Enterprise Operating Fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the department level for the General Fund, special revenue and enterprise funds. The County Manager is authorized by the budget ordinance to transfer appropriations up to \$5,000 between the line items within any department without Board oversight; however, any such transfers must be reported to the Board of Commissioners and recorded in the minutes. During the year, several amendments to the original budget 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.

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

1. Deposits and Investments

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

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

The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Money for tax revaluation is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Restricted Cash	Purpose	Amount
Governmental Activities:		
General Fund	Tax Revaluation	\$ 109,700
American Rescue Plan Fund	Unspent Grant Proceeds	3,658,187
Total Governmental Activities		<u>3,767,887</u>
Total Restricted Cash		<u>\$ 3,767,887</u>

4. Ad Valorem Taxes Receivable

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

5. 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.

6. Inventories and Prepaid Items

The inventories of the County are valued at cost (first in, first out), which approximates market. The inventory of the County's General Fund consists of expendable supplies and is recorded as expenditures when purchased.

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The County has elected not to capitalize those interest costs that are incurred during the construction period of capital assets. The County's capitalization threshold is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

The County holds title to certain Yadkin County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Yadkin County Board of Education.

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

	Years
Buildings and infrastructures	20-50
Improvements	15-20
Sewer collection lines	40
Furniture and equipment	5-10
Fixed and moveable equipment	3-15
Vehicles and motor equipment	5-10
Computer equipment and software	3-5

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - pension related deferrals, and contributions made to the OPEB or pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet this criterion - prepaid taxes, taxes receivable, EMS receivables, health receivables, and other OPEB or pension deferrals.

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

10. Compensated Absences

Policy provides unlimited accrued vacation leave with a maximum of 240 hours at the end of the calendar year and a maximum payout of 240 hours upon separation, with such leave being fully vested when earned. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. Vacation leave in excess of the 240 hours at the calendar year end is combined with the year-end balance of sick leave.

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable 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.

Restricted Fund Balance - This classification includes revenue sources 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 1930s 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 nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted fund balance at June 30, 2021 is as follows:

Purpose	Other		
	General Fund	Capital Projects Fund	Governmental Funds
Restricted, all other:			
Stabilization by State Statute	\$ 3,331,267	\$ 8,377	\$ -
Human Services	-	-	44,095
Public Safety	-	-	756,072
Total	\$ 3,331,267	\$ 8,377	\$ 800,167

Committed Fund Balance. This classification represents the portion of fund balance that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove the limitation.

Committed for Tax Revaluation - represents the portion of fund balance committed by the governing body for use for the future tax revaluation.

Committed for Future Capital Projects - represents the portion of fund balance committed by the governing body for future capital related purposes.

Committed fund balance at June 30, 2021 is as follows:

Purpose	Nonmajor		
	General Fund	Capital Projects Fund	Governmental Fund
Committed, all other:			
Tax revaluation	\$ 109,700	\$ -	\$ -
County Future Capital	500,000	2,750,822	116,071
Public Safety	1,000,000	-	-
School Future Capital	2,000,000	-	-
Total	\$ 3,609,700	\$ 2,750,822	\$ 116,071

Assigned Fund Balance. Assigned fund balance is the portion of fund balance that the County intends to use for specific purposes. The County's governing body has the authority to assign fund balance.

Subsequent Year's Expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation. All assigned fund balance of the County falls under this classification.

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: bond/debt proceeds, federal funds, State funds, local non-County funds and, lastly, County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

The County has also adopted a fund balance policy as follows:

Unrestricted, Unassigned Fund Balances shall mean funds that remain available for appropriation by the Board of Commissioners after all commitments for future expenditures, required reserves by State statutes and previous Commissioner assignments have been calculated. The County will define these remaining amounts as "available fund balances."

Available fund balances at the close of each fiscal year should be at least 15% of the Total Operating Budget of the County with a Targeted Policy equal to 20 %.

The County Board of Commissioners may, from time-to-time, appropriate fund balances that will reduce available fund balance below the 20.0% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of Yadkin County. In such circumstances, after available fund balances have been calculated as part of closing-out a fiscal year, the Board will adopt a plan as part of the following year's budget process to restore the available fund balance to the policy level within 36 months from the date of the budget adoption. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different, but appropriate time period.

The Board of Commissioners may take formal action at any open meeting to establish, modify or rescind a fund balance commitment. Committed fund balances do not lapse at the end of the fiscal year. The Board may take informal action to authorize a portion of fund balance for a particular purpose or program and designates similar authority to the County Manager. Assigned fund balances lapse at the end of the fiscal year unless these assignments are extended.

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	\$ 18,163,429
Less:	
Stabilization by State Statute	(3,331,267)
Fund Balance available for appropriation	<u>\$ 14,832,162</u>
Available fund balance as a % of GF Expenditures	40.27%

The County had no outstanding encumbrances as of June 30, 2021.

12 Defined Benefit Cost-Sharing Plans

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

13 Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

None Reported.

NOTE III: Detail Notes On All Funds

A. Assets

Deposits

All of the County's and the TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, 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 collateralized public deposits under the Pooling Method. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County analyzes the financial soundness of any other financial institutions used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021 the County's deposits had a carrying amount of \$13,717,372 and a bank balance of \$14,264,983. Of the carrying amount, \$4,400 was cash on hand. Of the bank balance, \$462,366 was covered by federal depository insurance; the remaining \$13,802,617 was covered by collateral and held under the Pooling Method.

At June 30, 2021 the Tourism Development Authority's deposits had a carrying amount of \$61,193. The TDA does not maintain a separate bank account, but is part of the County's central depository account.

Investments

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

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 11,704,850	\$ 11,704,850	\$ -	\$ -

Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moddy's Investor 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 valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The County has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates. The County does watch interest rates in the market and act accordingly as to their movement.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2020.

Property Tax - Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2018	\$ 2,975,690	\$ 974,538	\$ 3,950,228
2019	3,032,662	720,257	3,752,919
2020	3,058,129	451,074	3,509,203
2021	3,068,479	176,438	3,244,917
Total	\$ 12,134,960	\$ 2,322,307	\$ 14,457,267

Receivables

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

	Accounts	Taxes	Interest Receivable	Due From Other Governments	Total
Governmental activities:					
Ad valorem taxes	\$ -	\$ 1,273,464	\$ 184	\$ -	\$ 1,273,648
Allowance for doubtful accounts	-	(883,377)	-	-	(883,377)
Ad valorem taxes, net	-	390,087	184	-	390,271
Fire district taxes	-	134,711	-	-	134,711
Allowance for doubtful accounts	-	(93,407)	-	-	(93,407)
Fire district taxes, net	-	41,304	-	-	41,304
Local option sales tax	-	-	-	1,572,680	1,572,680
Accounts receivable	572,539	-	-	-	572,539
Sales tax refund	-	-	-	184,903	184,903
Other accounts receivable	1,296,260	-	-	-	1,296,260
Allowance for doubtful accounts	(152,198)	-	-	-	(152,198)
Total governmental activities	\$ 1,716,601	\$ 431,391	\$ 184	\$ 1,757,583	\$ 3,905,759
 Business-type activities:					
Landfill	\$ 351,335	\$ -	\$ -	\$ -	\$ 351,335
Allowance for doubtful accounts	(173,181)	-	-	-	(173,181)
Total Landfill	178,154	-	-	-	178,154
Water & Sewer	42,056	-	-	-	42,056
Total business-type activities	\$ 220,210	\$ -	\$ -	\$ -	\$ 220,210

Capital Assets

A summary of changes in the County's governmental capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,715,423	\$ 171,230	\$ -	\$ 5,886,653
Construction in Progress	3,443,768	2,158,815	-	5,602,583
Total capital assets not depreciated	<u>9,159,191</u>	<u>2,330,045</u>	-	<u>11,489,236</u>
Capital assets being depreciated:				
Buildings and improvements	54,285,683	50,773	-	54,336,456
Furniture and equipment, software	4,331,276	436,264	-	4,767,540
Vehicles and motor equipment	4,045,238	760,338	(75,518)	4,730,058
Total capital assets being depreciated	<u>62,662,197</u>	<u>1,247,375</u>	<u>(75,518)</u>	<u>63,834,054</u>
Less accumulated depreciation for:				
Buildings and improvements	12,872,912	1,193,387	-	14,066,299
Furniture and equipment, software	3,420,788	211,633	-	3,632,421
Vehicles and motor equipment	2,938,809	477,447	(75,518)	3,340,738
Total accumulated depreciation	<u>19,232,509</u>	<u>1,882,467</u>	<u>(75,518)</u>	<u>21,039,458</u>
Total capital assets being depreciated, net	<u>43,429,688</u>	<u>\$ 1,694,953</u>	<u>\$ -</u>	<u>42,794,596</u>
Governmental activity capital assets, net	<u><u>\$ 52,588,879</u></u>			<u><u>\$ 54,283,832</u></u>

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

Governmental Activities:	
General government	\$ 581,579
Public Safety	501,314
Economic and physical development	186,834
Human services	20,896
Cultural and recreation	591,844
Total depreciation expense	<u>\$ 1,882,467</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Landfill:				
Capital assets not being depreciated:				
Land	\$ 278,462	\$ -	\$ -	\$ 278,462
Capital assets being depreciated:				
Buildings	338,499	-	-	338,499
Land improvements	247,040	-	-	247,040
Furniture and moveable equipment	216,477	54,899	-	271,376
Total capital assets being depreciated	802,016	54,899	-	856,915
Less accumulated depreciation for:				
Buildings	294,175	7,077	-	301,252
Land improvements	221,767	2,437	-	224,204
Furniture and moveable equipment	206,453	3,017	-	209,470
Total accumulated depreciation	722,395	12,531	-	734,926
Total capital assets being depreciated, net	79,621	42,368	-	121,989
Landfill capital assets, net	\$ 358,083	\$ 42,368	\$ -	\$ 400,451
Water and Sewer:				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated:				
Sewer lines	3,799,599	-	-	3,799,599
Water lines	10,050,205	-	-	10,050,205
Total capital assets being depreciated	13,849,804	-	-	13,849,804
Less accumulated depreciation for:				
Sewer lines	1,396,275	94,990	-	1,491,265
Water lines	2,562,182	300,926	-	2,863,108
Total accumulated depreciation	3,958,457	395,916	-	4,354,373
Total depreciable capital assets, net	9,891,347	(395,916)	-	9,495,431
Water and sewer capital assets, net	\$ 9,891,347	\$ (395,916)	\$ -	\$ 9,495,431
Business-type activities capital assets, net	\$ 10,249,430			\$ 9,895,882

Construction Commitments

The government has active construction projects as of June 30, 2021. The projects and amounts expended to date are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental Capital Projects		
Sheriff Department Administration Building		
\$ 3,849,528	\$ 202,607	
Total	\$ 3,849,528	\$ 202,607

Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Capital Assets	\$ 42,794,596	\$ 9,895,882
Long-term debt	(19,261,193)	(3,453,359)
Long-term debt for assets not owned by the County	10,850,000	-
Net investment in capital assets	<u><u>\$ 34,383,403</u></u>	<u><u>\$ 6,442,523</u></u>

B. Liabilities

Accounts Payable

Accounts payable at Exhibit 1 at June 30, 2021 were as follows:

	Vendors	Accrued Salaries	Accrued Interest	Incurred But Not Reported	Insurance Claims	Total
Governmental activities:						
General	\$ 815,989	\$ 250,583	\$ 90,516	\$ -	\$ 1,157,088	
Other Governmental	107,061	-	-	-	107,061	
Internal Service Fund	-	-	-	256,801	256,801	
Total governmental activities	<u><u>\$ 923,050</u></u>	<u><u>\$ 250,583</u></u>	<u><u>\$ 90,516</u></u>	<u><u>\$ 256,801</u></u>	<u><u>\$ 1,520,950</u></u>	
Business-type activities:						
Landfill	\$ 122,577	\$ 8,957	\$ -	\$ -	\$ 131,534	
Water & Sewer	12,692	3,801	-	-	16,493	
Total business-type activities	<u><u>\$ 135,269</u></u>	<u><u>\$ 12,758</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 148,027</u></u>	

Pension Plan Obligations and Other Postemployment Obligations

Local Governmental Employees' Retirement System

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

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 postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 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 County were \$1,112,169 for the year ended June 30, 2021.

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

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

At June 30, 2021, the County reported a liability of \$5,668,526 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.15863%, which was a decrease of 0.00079% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$1,932,449. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 715,835	\$ -
Changes of assumptions	421,850	-
Net difference between projected and actual earnings on pension plan investments	797,693	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	4,297	85,459
County contributions subsequent to the measurement date	1,112,169	-
Total	\$ 3,051,844	\$ 85,459

\$1,112,169 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 515,153
2023	691,459
2024	411,529
2025	236,075
Thereafter	-
Total	\$ 1,854,216

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 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Health Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	
		1.4%	5.3%
Fixed Income	29%		
Global Equity	42%		
Real Estate	8%	4.3%	
Alternatives	8%	8.9%	
Credit	7%	6.0%	
Inflation Protection	6%	4.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(6.00%)</u>	<u>Discount</u> <u>Rate</u> <u>(7.00%)</u>	<u>1%</u> <u>Increase</u> <u>(8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 11,500,821	\$ 5,668,526	\$ 821,478

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

Law Enforcement Officers' Special Separation Allowance

Plan Description

Yadkin County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	4
Active plan members	40
Total	44

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

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

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

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

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

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

Deaths After Retirement (Beneficiary): Mortality rates are base 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 County 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 County'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 County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$30,712 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$926,837. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$83,099.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118,278	\$ 102,222
Changes of assumptions and other inputs	218,400	13,064
County benefit payments and plan administrative expense made subsequent to the measurement date	11,914	-
Total	\$ 348,592	\$ 115,286

\$11,914 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 33,817
2023	35,339
2024	41,494
2025	49,533
2026	61,209

Thereafter

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 1,014,893	\$ 926,837	\$ 847,742

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

	2021
Beginning balance	\$ 518,228
Service Cost	46,233
Interest on the total pension liability	16,394
Differences between expected and actual experience in the measurement of the total pension	142,076
Changes in assumptions or other inputs	234,618
Benefit payments	(30,712)
Ending balance of the total pension liability	<u><u>\$ 926,837</u></u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 (measurement date) to 1.93 percent at June 30, 2020 (measurement date).

Changes in Benefit Terms. Reported compensation adjusted to reflected the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

The County contributed \$89,102 for the reporting year. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 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.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,236 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$67,803 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2020, the County's proportion was 0.29585%, which was an increase of 0.02127% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension revenue of \$889. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,382
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,802
Changes in proportion and differences between County	2,471	2,693
Contributions and proportionate share of contributions		
County contributions subsequent to the measurement date	3,236	-
Total	\$ 5,707	\$ 9,877

\$3,236 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ (1,121)
2023	(2,204)
2024	(2,618)
2025	(1,463)
2026	-
Thereafter	-
	<u>\$ (7,406)</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	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from 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 County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (57,590)	\$ (67,803)	\$ (76,445)

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

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 5,668,526	\$ (67,803)	\$ -	\$ 5,600,723
Proportion of the Net Pension Liability (Asset)	0.1586%	0.2959%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 926,837	\$ 926,837
Pension Expense (Revenue)	\$ 1,932,449	\$ (889)	\$ 83,099	\$ 2,014,659

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

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 715,835	\$ -	\$ 118,278	\$ 834,113
Changes of assumptions	421,850	-	218,400	640,250
Net difference between projected and actual earnings on pension plan investments	797,693	-	-	797,693
Change in proportion and differences between County contributions and proportionate share of contributions	4,297	2,471	-	6,768
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,112,169	3,236	11,914	1,127,319
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ -	\$ 1,382	\$ 102,222	\$ 103,604
Changes of assumptions	-	5,802	13,064	18,866
Changes in proportion and differences between County contributions and proportionate share of contributions	85,459	2,693	-	88,152

Other Postemployment Benefits

Plan Description. According to a County resolution, the County administers a single-employer, defined benefit plan, which provides healthcare benefits (the HCB Plan) to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and are eligible for unreduced retirement benefits under the system. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. Effective for new employees hired after July 1, 2011, they must have five years of creditable service with the County and unreduced retirement benefits to be eligible for retiree healthcare. Effective March 1, 2017 new employees hired after this date must have ten years of creditable service to be eligible for this benefit. The system provides for unreduced retirement benefits for retirees age 65 regardless of years of service, for retirees age 60 that have at least 25 years of creditable service, and for retirees of any age with 30 years of creditable service. The County pays the full cost of coverage for these benefits. The County pays the premium for retirees at the same rate as active employees which is 100% of employee cost. Once the retiree attains the age of Medicare eligibility or obtains other primary health insurance, the County no longer provides healthcare benefits. The retiree is expected to seek their medical coverage via the Medicare process. The County Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	Employees
Inactive Employees or Beneficiaries Currently Receiving Benefits	40
Inactive Members Entitled to But Not Yet Receiving Benefits	-
Active Employees	246
Total	286

Total OPEB Liability

The County's total OPEB liability of \$9,107,257 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

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	3.5 - 7.75 percent, average, including inflation
Discount rate	2.21 percent
Healthcare cost trend rates	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

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

Changes in the Total OPEB Liability

	Total
	OPEB Liability
Balance at July 1, 2019	\$ 7,826,185
Changes for the year	
Service cost	348,616
Interest	276,298
Changes of benefit terms	-
Differences between expected and actual experience	186,234
Changes in assumptions or other inputs	1,035,963
Benefit payments	(566,039)
Net Changes	\$ 1,281,072
Balance at June 30, 2020	<u>\$ 9,107,257</u>

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014, adopted by the LGERS Board.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County'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	Discount Rate	1% Increase
	(1.21%)	(2.21%)	(3.21%)
Total OPEB Liability	\$ 9,997,268	\$ 9,107,257	\$ 8,316,430

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County'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	Current	1% Increase
Total OPEB Liability	\$ 8,161,303	\$ 9,107,257	\$ 10,243,175

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$792,698. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,567,292	\$ 76,146
Changes of assumptions	1,187,675	113,730
Benefit payments and administrative costs made subsequent to the measurement date	320,156	-
Total	\$ 3,075,123	\$ 189,876

\$320,156 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 387,518
2023	387,518
2024	387,524
2025	450,812
2026	450,812
Thereafter	500,907

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employees' 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions, OPEB - difference between expected and actual experience:		
LGERS	\$ 715,835	\$ -
Register of Deeds	-	1,382
LEOSSA	118,278	102,222
OPEB	1,567,292	76,146
Changes of assumptions		
LGERS	421,850	-
Register of Deeds	-	-
LEOSSA	218,400	13,064
OPEB	1,187,675	113,730
Pensions, OPEB - difference between projected and actual investment earnings		
LGERS	797,693	-
Register of Deeds	-	5,802
OPEB	-	-
Pensions, OPEB - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	4,297	85,459
Register of Deeds	2,471	2,693
Contributions to pension plan		
LGERS	1,112,169	-
Register of Deeds	3,236	-
LEOSSA	11,914	-
Benefit payments for the OPEB plan paid subsequent to measurement date	320,156	-
Prepaid taxes not yet earned (General)	-	12,818
Taxes receivable, net (General)	-	378,552
Taxes receivable, net (Special Revenue)	-	41,304
EMS receivable (General)	-	380,516
Other receivable (General)	-	3,922
Health receivable (General)	-	905
Total	\$ 6,481,266	\$ 1,218,515

5. Risk Management

The County is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County obtained property coverage equal to replacement cost values of owned real property subject to a limit of \$23.1 million for any one occurrence; general liability, auto, professional, and employment practices liability coverage of \$2 million per occurrence; and automobile liability coverage of \$2 million for owned autos. The Real and Property Coverage has a blanket limit of \$60,610,440. The County maintains workers' compensation coverage up to the statutory limits and group health for County employees.

In accordance with G.S. 159-29, the County Finance Officer and the Tax Collector are individually bonded for \$250,000. The Sheriff, County Attorney, and Register of Deeds are individually bonded for \$25,000 each. County employees that have access to funds of more than \$100 are bonded under a blanket government crime protection policy with a limit of \$250,000 per crime loss and a \$500 deductible per crime loss.

The County provides health insurance benefits in its Group Insurance Internal Service Fund. This self-funded program, supplemented by employee contributions, pays the medical claims of employees and their covered dependents, up to certain stop-loss limits. Insurance has been purchased from BCBS to cover expenses that exceed certain dollar amounts on a \$125,000 per occurrence, per employee, and aggregate (total) basis. Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but are not reported (IBNRs) based upon historical experience. Settled claims did not exceed self-retained or purchased insurance coverage in the current year.

Changes in the balances of claims liabilities for health insurance during the past fiscal year are as follows:

	2021	2020
Unpaid claims, beginning	\$ 264,129	\$ 188,761
Incurred claims	2,138,370	2,337,170
Claim payments	<u>(2,145,698)</u>	<u>(2,261,802)</u>
Unpaid claims, ending	<u><u>\$ 256,801</u></u>	<u><u>\$ 264,129</u></u>

Long-Term Obligations

Installment Purchase Contracts

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property acquisitions in a direct placement for use by Yadkin County Board of Education during the fiscal years ended June 30, 2008, 2005, and 2003 by installment purchases. The installment purchases were issued pursuant to deeds of trust which require that legal title remain with the County as long as the debts are outstanding because the property is pledged as collateral for the debt. The County entered into lease agreements with the Yadkin County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The leases call for nominal annual lease payments and also contain bargain purchase options. The lease terms are the same as that of the related installment purchase obligations. Due to the economic substance of the transactions, the capital assets associated with the installment purchase obligations are recorded by the Board of Education.

Serviced by General Fund:

\$17,500,000 direct placement contract to fund a portion of the costs of construction and acquisition of furniture and equipment for two new middle schools; financed for 19.5 years at 3.83%; due in semi-annual installments. This debt was refinanced in January 2017. Terms of 12 years at interest rate of 2.97%, due in semi-annual installments. Property stands as collateral for the loan. \$ 10,850,000

\$6,815,836 direct placement contract to fund a portion of construction project for flood control and water supply facility on South Deep Creek; financed for 11 years at 2.28%; due in semi-annual payments. Property stands as collateral for the loan. 1,542,082

\$6,419,000 direct placement contract to fund a portion of a construction project for a new County jail; financed for 13 years at 2.34%; due in semi-annual payments. Property stands as collateral for the loan. 2,051,782

\$3,060,300 direct placement contract to fund a portion of a construction project for the Yadkin Valley Agriculture Center; financed for 10 years at 2.28%; due in semi-annual payments. Property stands as collateral for the loan. 1,224,120

Serviced by General Fund (continued):

\$4,622,000 direct placement contract to fund construction of a Sheriff administration building; financed for 20 years at 2.94%; due in semi-annual payments. This is a drawdown loan; only \$2,628,152 had been received by the County as of June 30, 2020. Property stands as collateral for the loan.

	3,593,209
<u>Total serviced by General Fund</u>	<u><u>\$ 19,261,193</u></u>

The future payments as of June 30, 2021 are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 3,262,772	\$ 537,322
2023	3,290,075	450,212
2024	2,998,968	362,468
2025	2,390,569	285,028
2026	1,781,100	223,416
2027-2031	4,255,500	497,269
2032-2036	1,155,500	212,323
2037-2041	126,709	15,457
Total	<u>\$ 19,261,193</u>	<u>\$ 2,583,495</u>

Serviced by Enterprise Fund:

Water and Sewer Fund:

\$4,175,000 direct borrowing contract with North Carolina Drinking Water State Revolving Fund issued March 16, 2017 for waterlines; financed for 20 years; due in annual payments of \$208,750, no interest, starting in 2019.

	<u><u>\$ 3,453,359</u></u>
--	----------------------------

The future minimum payments as of June 30, 2020 are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 203,139	\$ -
2023	203,139	-
2024	203,139	-
2025	203,139	-
2026	203,139	-
2027-2031	1,015,694	-
2032-2036	1,015,694	-
2037-2041	406,276	-
Total	<u>\$ 3,453,359</u>	<u>\$ -</u>

Long-Term Obligation Activity

A summary of changes in long-term debt follows:

f. Long-Term Obligation Activity

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

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Direct Placement Installment purchase obligations	\$ 21,479,852	\$ 1,311,707	\$ 3,530,366	\$ 19,261,193	\$ 3,262,772
Net pension liability (LGERS)	4,270,758	1,289,859	-	5,560,617	-
Total pension liability (LEOSSA)	518,228	408,609	-	926,837	-
Compensated absences	823,521	67,770	-	891,291	222,823
Total OPEB Liability	7,683,539	1,257,722	-	8,941,261	-
Total governmental activities	<u>\$ 34,775,898</u>	<u>\$ 3,077,945</u>	<u>\$ 3,530,366</u>	<u>\$ 35,581,199</u>	<u>\$ 3,485,595</u>
Business-Type Activities:					
Water and Sewer Fund:					
Compensated Absences	\$ 10,461	\$ -	\$ 2,881	\$ 7,580	\$ 1,895
Direct Borrowing Installment purchase obligations	3,656,498	-	203,139	3,453,359	203,139
Net pension liability (LGERS)	29,825	6,539	-	36,364	-
Total OPEB Liability	24,164	3,956	-	28,120	-
Total Water and Sewer	<u>3,720,948</u>	<u>10,495</u>	<u>206,020</u>	<u>3,525,423</u>	<u>205,034</u>
Landfill Fund					
Compensated Absences	18,973	-	4,599	14,374	3,594
Net pension liability (LGERS)	53,053	18,491	-	71,544	-
Total OPEB Liability	118,482	19,395	-	137,877	-
Total Landfill	<u>190,508</u>	<u>37,886</u>	<u>4,599</u>	<u>223,795</u>	<u>3,594</u>
Total business type activities	<u>\$ 3,911,456</u>	<u>\$ 48,381</u>	<u>\$ 210,619</u>	<u>\$ 3,749,218</u>	<u>\$ 208,628</u>

Compensated absences, net pension obligation, and net OPEB liability have been liquidated in the General Fund. Compensated absences are account for on a LIFO basis, assuming that employees are taking leave time as it is earned.

At June 30, 2021, the County had a legal debt margin of \$234,121,699.

C. Interfund Balances and Activity

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

Due to the General Fund from the Coronavirus Relief Fund to cover negative cash.	\$ 196,190
Due to the General Fund from the Landfill Fund to cover negative cash.	<u>55,954</u>
Total	<u>\$ 252,144</u>

The interfund balances resulted from the time lag between the dates the interfund goods and services are provided or reimbursable expenditures occur.

Interfund Balances and Activity (continued)

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

Transfer from the General Fund to the Vehicle Replacement fund to provide resources for capital purchases.	\$ 290,000
Transfer from the General Fund to the Landfill to provide funds for salaries.	5,618
Transfer from the General Fund to the Water Sewer Fund to provide funds for salaries.	2,869
Total Transfers	\$ 295,618

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 matching funds for various grant programs.

NOTE IV: Joint Ventures

Partners Behavioral Health Management

Partners Behavioral Health Management, oversees the publicly-funded healthcare service systems for residents of Burke, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Rutherford, Stanly, Surry, Union, and Yadkin counties. The County appoints two members to the 24-member Board. Partners is a joint venture established to provide the participating counties with mental health and substance abuse services. The County has an ongoing financial responsibility for Partners because Partners' continued existence depends on the participating governments' continued funding. The County contributed approximately \$118,000 to Partners during the fiscal year ended June 30, 2021. None of the participating governments have any equity interest in Partners, so no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for Partners can be obtained from Partners' administrative office at 910 S. New Hope Road Gastonia, North Carolina.

Northwestern Regional Library

The County also participates in a joint venture to operate Northwestern Regional Library with three other local governments (Alleghany, Surry, and Stokes counties). The County appoints three members to the 13-member Board of the Library. The County has an ongoing financial responsibility for the joint venture, because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have an equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$433,339 to the Library System to supplement its activities. Complete financial statements for the Library can be obtained from the Library's offices at 111 North Front Street, Elkin, North Carolina.

NOTE V: Jointly Governed Organizations

Piedmont Triad Regional Council

The County, in conjunction with 11 other counties and 62 municipalities, established the Piedmont Triad Regional Council (Council) effective July 1, 2012. The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$12,914 to the Council during the fiscal year ended June 30, 2021.

NOTE VI: Other Receivables - Hoots Memorial Hospital, Inc.

On April 1, 2010, the County loaned the Hospital \$400,000 with repayment terms of 12 monthly payments of approximately \$35,000 including 5% interest. The terms of the sale of the hospital's operations required the buyer to assume this obligation on July 1, 2010. The balance of the loan, \$400,000, was reported as a short-term receivable on the County's General Fund balance sheet and governmental activities' Statement of Net Position as of June 30, 2010. On July 1, 2010, the payment terms were modified to eight monthly installments of \$51,416, including interest at 5%. HMC/CAH, purchaser of the Hospital, made one partial payment on the loan. The parent company of the Yadkin Valley Community Hospital also filed for bankruptcy in early fiscal year 2012, and this receivable is included in the bankruptcy repayment plan. At June 30, 2021, the amount owed on this receivable due to the County was \$362,721.

NOTE VII: Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

Coronavirus Disease (COVID-19)

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

NOTE VIII Significant Effects of Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through October 8, 2021, the date these financial statements were available to be issued.

NOTE IX: Restatements

Change in Account Principle

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

Change in Account Principle (continued)

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

Governmental activities Net	Position - Increase (Decrease)	General Fund	Balance - Increase (Decrease)	Special Revenue Fund	Nonmajor Fiduciary Net Position -	Custodial Fund
\$ (6,236)	\$ (6,236)	\$ -	\$ -	\$ 12,942	Cash related to funds held on behalf of incarcerated inmates was reclassified from the General Fund into fiduciary net position in a newly created Jail Inmate Pay Custodial Fund. The resulted in a restatement of fund balance that differed between the amount set up in the new custodial fund, because part of the cash balance was offset by a liability in the General Fund.	
-	-	-	-	34,636	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.	
190,272	-	190,272	-	-	Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.	
793	-	793	-	-	Cash and receivables from fines and forfeitures net of liabilities owed to the Board of Education were reclassified out of the Agency Fund into a newly created Fines and Forfeitures Special Revenue Fund. The portion of liabilities in the Agency Fund representing receivables that were uncollected at the beginning of the year were restated as fund balance.	
5,861	5,861	-	-	-	Cash and liabilities related to the Flex Plan benefits were reclassified out of the Agency Fund into the General Fund.	
\$ 190,690	\$ (375)	\$ 191,065	\$ 47,578			

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

Schedule of County's Proportionate Share of Net Pension Asset (LGERS)

Schedule of County Contributions (LGERS)

Schedule of County's Proportionate Share of Net Pension Asset (ROD)

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEO)

Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEO)

Schedule of County Contributions (OPEB)

Yadkin County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Eight Fiscal Years*

Local Government Employees' Retirement System	2021	2020	2019	2018
County's proportionate share of the net pension liability (%)	0.159%	0.159%	0.157%	0.167%
County's proportionate share of the net pension liability (\$)	\$ 5,668,526	\$ 4,353,636	\$ 3,722,916	\$ 2,552,367
County's covered payroll	\$ 10,530,790	\$ 10,259,834	\$ 9,945,667	\$ 10,364,740
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	53.83%	42.43%	37.43%	24.63%
Plan fiduciary net position as a percentage of the total pension liability	88.61%	90.86%	92.00%	94.18%
	2017	2016	2015	2014
County's proportionate share of the net pension liability (%)	0.164%	0.153%	0.149%	0.158%
County's proportionate share of the net pension liability (\$)	\$ 3,474,687	\$ 684,815	\$ (876,187)	\$ 1,900,891
County's covered payroll	\$ 9,483,593	\$ 9,171,663	\$ 9,009,225	\$ 8,798,084
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.64%	7.47%	-9.73%	21.61%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

Yadkin County, North Carolina
Schedule of County Contributions
Local Government Employees' Retirement System
Last Eight Fiscal Years

	Local Government Employees' Retirement System			
	2021	2020	2019	2018
Contractually required contribution	\$ 1,112,169	\$ 961,127	\$ 813,578	\$ 763,874
Contributions in relation to the contractually required contribution	1,112,169	961,127	813,578	763,874
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
County's covered payroll	\$ 10,775,241	\$ 10,530,790	\$ 10,259,834	\$ 9,945,667
Contributions as a percentage of covered payroll	10.32%	9.13%	7.93%	7.68%
	2017	2016	2015	2014
Contractually required contribution	\$ 772,043	\$ 646,278	\$ 651,854	\$ 635,940
Contributions in relation to the contractually required contribution	772,043	646,278	651,854	635,940
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
County's covered payroll	\$ 10,364,740	\$ 9,483,593	\$ 9,171,663	\$ 9,009,225
Contributions as a percentage of covered payroll	7.45%	6.81%	7.11%	7.06%

Yadkin County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Eight Fiscal Years*

Local Government Employees' Retirement System				
	2021	2020	2019	2018
County's proportionate share of the net pension (asset) liability (%)	0.296%	0.275%	0.300%	0.311%
County's proportionate share of the net pension (asset) liability (\$)	\$ (67,803)	\$ (54,208)	\$ (49,704)	\$ (53,165)
Plan fiduciary net position as a percentage of the total pension liability	173.62%	164.11%	153.31%	153.77%
	2017	2016	2015	2014
County's proportionate share of the net pension (asset) liability (%)	0.320%	0.309%	0.315%	0.293%
County's proportionate share of the net pension (asset) liability (\$)	\$ (59,859)	\$ (71,721)	\$ (71,434)	\$ (62,685)
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

Yadkin County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Eight Fiscal Years*

Local Government Employees' Retirement System				
	2021	2020	2019	2018
County's required contribution	\$ 3,236	\$ 2,833	\$ 3,907	\$ 3,688
Contributions in relation to contractually required contribution	3,236	2,833	3,907	3,688
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
	2017	2016	2015	2014
County's required contribution	\$ 2,706	\$ 2,616	\$ 2,462	\$ 2,573
Contributions in relation to contractually required contribution	2,706	2,616	2,462	2,573
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Yadkin County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Beginning balance	\$ 518,228	\$ 593,073	\$ 639,467	\$ 626,059	\$650,285
Service cost	46,233	43,337	46,280	37,247	39,805
Interest on the total pension liability	16,394	20,927	19,321	23,136	21,954
Difference between expected and actual experience	142,076	(121,603)	(31,165)	(34,456)	-
Changes of assumptions and other inputs	234,618	18,789	(24,713)	40,868	(15,339)
Benefit payments	(30,712)	(36,295)	(56,117)	(53,387)	(70,646)
Ending balance of total pension liability	<u><u>\$ 926,837</u></u>	<u><u>\$ 518,228</u></u>	<u><u>\$ 593,073</u></u>	<u><u>\$ 639,467</u></u>	<u><u>\$626,059</u></u>

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Yadkin County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Total pension liability	\$ 926,837	\$ 518,228	\$ 593,073	\$ 639,467	\$ 626,059
Covered payroll	1,793,533	1,715,483	1,680,167	1,652,332	1,586,114
Total pension liability as a percentage of covered payroll	51.68%	30.21%	35.30%	38.70%	39.47%

Notes to the schedules:

Yadkin County 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 10 years. Additional years will be displayed as they become available.

Yadkin County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2020

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 348,616	\$ 321,657	\$ 229,054	\$ 246,436
Interest	276,298	275,683	191,535	173,706
Changes of benefit terms	-	-	(80,097)	-
Differences between expected and actual experience	186,234	249,095	1,893,807	(177,678)
Changes of assumptions	1,035,963	269,681	113,197	(265,374)
Benefit payments	(566,039)	(746,657)	(537,238)	(201,691)
Net change in total OPEB liability	1,281,072	369,459	1,810,258	(224,601)
Total OPEB liability - beginning	7,826,185	7,456,726	5,646,468	5,871,069
Total OPEB liability - ending	<u>\$ 9,107,257</u>	<u>\$ 7,826,185</u>	<u>\$ 7,456,726</u>	<u>\$ 5,646,468</u>
Covered payroll	\$ 9,976,834	\$ 10,564,860	\$ 10,564,860	\$ 8,448,108
Total OPEB liability as a percentage of covered payroll	91.28%	74.08%	70.58%	66.84%

Notes to Schedule

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

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

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

OTHER MAJOR GOVERNMENTAL FUNDS

Special Revenue Fund -

Coronavirus Relief Fund - account for resources provided by the State to assist with COVID relief.

Capital Project Fund -

Capital Projects Fund - account for various governmental capital projects.

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 20,173,500	\$ 20,955,944	\$ 782,444
Penalties and interest	175,000	187,716	12,716
Total	<u>20,348,500</u>	<u>21,143,660</u>	<u>795,160</u>
Local option sales tax:			
Article 39 and 44	3,264,440	4,134,946	870,506
Article 40 one - half of one percent	2,340,828	2,910,280	569,452
Article 42 one - half of one percent	1,233,828	1,692,487	458,659
Medicaid hold harmless payment	532,075	1,180,026	647,951
Total	<u>7,371,171</u>	<u>9,917,739</u>	<u>2,546,568</u>
Other taxes & licenses:			
Unfortified wine tax	<u>135,400</u>	<u>134,567</u>	<u>(833)</u>
Unrestricted intergovernmental:			
State aid to counties	79,113	79,113	-
Rural general public	84,318	-	(84,318)
Senior citizens exemptions	70,721	-	(70,721)
Total	<u>234,152</u>	<u>79,113</u>	<u>(155,039)</u>
Restricted intergovernmental:			
Federal and State grants	5,081,633	5,089,679	8,046
Court facilities fees	53,000	49,803	(3,197)
Total	<u>5,134,633</u>	<u>5,139,482</u>	<u>4,849</u>
Permits and fees:			
Building permits and inspection fees	125,000	136,022	11,022
Fire inspection fees	25,000	20,100	(4,900)
Register of Deeds	224,000	314,972	90,972
Other permits and fees	22,328	18,789	(3,539)
Total	<u>396,328</u>	<u>489,883</u>	<u>93,555</u>
Sales and services:			
Rents, concessions, and fees	173,100	202,640	29,540
Ambulance fees	1,315,000	1,350,605	35,605
Jail fees	121,000	94,529	(26,471)
Sheriff's fees	74,000	112,710	38,710
Court costs and officer's fees	24,000	24,056	56
Liaison officer program	150,000	156,267	6,267
Environmental health fees	110,000	151,824	41,824
Recreation fees	71,800	67,408	(4,392)
Other fees	224,195	290,247	66,052
Total	<u>2,263,095</u>	<u>2,450,286</u>	<u>187,191</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Investment earnings	<u>30,000</u>	<u>2,225</u>	<u>(27,775)</u>
Miscellaneous:			
Cablevision fees	75,000	68,924	(6,076)
Miscellaneous	<u>112,492</u>	<u>213,214</u>	<u>100,722</u>
Total	<u>187,492</u>	<u>282,138</u>	<u>94,646</u>
Total revenues	<u>36,100,771</u>	<u>39,639,093</u>	<u>3,538,322</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and benefits	12,999		
Operating expenses	<u>59,321</u>		
Total	<u>79,630</u>	<u>72,320</u>	<u>7,310</u>
Administration:			
Salaries and benefits	483,908		
Operating expenses	<u>25,191</u>		
Total	<u>510,123</u>	<u>509,099</u>	<u>1,024</u>
Elections:			
Salaries and benefits	143,289		
Operating expenses	67,876		
Capital outlay	100,897		
Total	<u>337,913</u>	<u>312,062</u>	<u>25,851</u>
Finance:			
Salaries and benefits	188,421		
Operating expenses	<u>18,997</u>		
Total	<u>215,500</u>	<u>207,418</u>	<u>8,082</u>
Professional Services:			
Contracted Services	<u>1,001,398</u>	<u>865,675</u>	<u>135,723</u>
Information Services:			
Salaries and benefits	357,668		
Operating expenses	8,243		
Total	<u>374,412</u>	<u>365,911</u>	<u>8,501</u>
Tax Assessor:			
Salaries and benefits	357,825		
Operating expenses	<u>152,337</u>		
Total	<u>523,103</u>	<u>510,162</u>	<u>12,941</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revaluation:			
Salaries and benefits	253,332		
Operating expenses	8,364		
Total	<u>274,386</u>	<u>261,696</u>	<u>12,690</u>
Tax Department	<u>797,489</u>	<u>771,858</u>	<u>25,631</u>
License Plate Agency:			
Salaries and benefits	90,436		
Operating expenses	674		
Total	<u>91,868</u>	<u>91,110</u>	<u>758</u>
Register of Deeds:			
Salaries and benefits	196,851		
Operating expenses	54,541		
Total	<u>265,240</u>	<u>251,392</u>	<u>13,848</u>
Public Buildings:			
Salaries and benefits	254,289		
Operating expenses	247,386		
Capital outlay	613		
Total	<u>560,187</u>	<u>502,288</u>	<u>57,899</u>
Hospital:			
Salaries and benefits	92,963		
Operating expenses	113,366		
Total	<u>224,900</u>	<u>206,329</u>	<u>18,571</u>
Court Facilities:			
Salaries and benefits	43,618		(43,618)
Capital outlay	3,648		
Total	<u>60,000</u>	<u>47,266</u>	<u>12,734</u>
Other Non-Departmental	<u>408,373</u>	<u>340,093</u>	<u>68,280</u>
Total General Government	<u>4,927,033</u>	<u>4,542,821</u>	<u>384,212</u>
Public Safety:			
Sheriff:			
Salaries and benefits	2,643,217		
Operating expenses	651,248		
Capital outlay	60,760		
Total	<u>3,441,300</u>	<u>3,355,225</u>	<u>86,075</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Communications			
Salaries and benefits		681,832	
Operating expenses		79,079	
Total	<u>788,705</u>	<u>760,911</u>	<u>27,794</u>
Jail:			
Salaries and benefits		1,147,093	
Operating expenses		773,511	
Total	<u>2,028,515</u>	<u>1,920,604</u>	<u>107,911</u>
Liaison Officer:			
Salaries and benefits		200,718	
Separation allowance		26,710	
Operating expenses		-	
Total	<u>238,426</u>	<u>227,428</u>	<u>10,998</u>
Total Sheriff	<u>6,496,946</u>	<u>6,264,168</u>	<u>232,778</u>
Emergency Medical Services:			
Salaries and benefits		2,267,279	
Operating expenses		479,276	
Capital outlay		579,798	
Total	<u>3,775,540</u>	<u>3,326,353</u>	<u>449,187</u>
Fire Marshal:			
Salaries and benefits		116,524	
Operating expenses		24,239	
Capital outlay		-	
Total	<u>150,517</u>	<u>140,763</u>	<u>9,754</u>
Total Emergency Services	<u>3,926,057</u>	<u>3,467,116</u>	<u>458,941</u>
Animal Shelter			
Salaries and benefits		169,339	
Operating expenses		77,999	
Total	<u>261,689</u>	<u>247,338</u>	<u>14,351</u>
Medical Examiner:			
Contracted Services	<u>55,350</u>	<u>48,150</u>	<u>7,200</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Building Inspections:			
Salaries and benefits	362,667		
Operating expenses	19,698		
Capital outlay	-		
Total	<u>443,666</u>	<u>382,365</u>	<u>61,301</u>
Total Public Safety	<u>11,183,708</u>	<u>10,409,137</u>	<u>774,571</u>
Cooperative Extension Service:			
Operating expenses	236,793	196,273	40,520
Soil and Water Conservation:			
Salaries and benefits	172,355		
Operating expenses	83,924		
Capital outlay	-		
Total	<u>312,382</u>	<u>256,279</u>	<u>56,103</u>
Economic Development:			
Operating expenses	76,500	76,500	-
Total Economic and Physical Development	<u>625,675</u>	<u>529,052</u>	<u>96,623</u>
Human Services:			
Health:			
Administration:			
Salaries and benefits	286,716		
Operating expenses	124,022		
Capital outlay	8,500		
Total	<u>434,350</u>	<u>419,238</u>	<u>15,112</u>
Nursing and Medical:			
Salaries and benefits	86,826		
Operating expenses	21,381		
Capital outlay	1,414		
Total	<u>125,473</u>	<u>109,621</u>	<u>15,852</u>
Medicaid Case Manager			
Salaries and benefits	8,400		
Operating expenses	12,742		
Total	<u>76,590</u>	<u>21,142</u>	<u>55,448</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Preparedness:			
Salaries and benefits		9,592	
Operating expenses		13,539	
Total	<u>30,993</u>	<u>23,131</u>	<u>7,862</u>
Tuberculosis:			
Operating expenses	<u>1,692</u>	<u>255</u>	<u>1,437</u>
Immunization			
Salaries and benefits		-	
Operating expenses		-	
Total	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Environmental Health:			
Salaries and benefits		168,660	
Operating expenses		22,591	
Total	<u>230,915</u>	<u>191,251</u>	<u>39,664</u>
Child Health:			
Salaries and benefits		108,618	
Operating expenses		21,088	
Capital outlay		558	
Total	<u>212,971</u>	<u>130,264</u>	<u>82,707</u>
Maternal Health:			
Salaries and benefits		35,034	
Operating expenses		20,637	
Capital outlay		558	
Total	<u>83,182</u>	<u>56,229</u>	<u>26,953</u>
Family Planning:			
Salaries and benefits		56,194	
Operating expenses		24,928	
Capital outlay		559	
Total	<u>116,097</u>	<u>81,681</u>	<u>34,416</u>
Women, Infants, and Children:			
Salaries and benefits		187,515	
Operating expenses		9,613	
Total	<u>213,572</u>	<u>197,128</u>	<u>16,444</u>
Health Education			
Salaries and benefits		42,913	
Operating expenses		14,028	
Total	<u>64,454</u>	<u>56,941</u>	<u>7,513</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
WIC Breastfeeding			
Operating expenses	3,252	3,252	-
Total	<u>3,252</u>	<u>3,252</u>	<u>-</u>
Breastfeeding Peer Counselor			
Operating expenses	500	-	500
Total	<u>500</u>	<u>-</u>	<u>500</u>
Total Health	<u>1,596,041</u>	<u>1,290,133</u>	<u>305,908</u>
Social Services:			
Administration:			
Salaries and benefits	3,625,777		
Operating expenses	237,364		
Capital outlay	25,549		
Total	<u>3,963,573</u>	<u>3,888,690</u>	<u>74,883</u>
Assistance Programs:			
Operating Expenses	1,658,382	1,391,388	266,994
County Portion - Aid			
Operating expenses	388,280	265,989	122,291
Total social services	<u>6,010,235</u>	<u>5,546,067</u>	<u>464,168</u>
Other Human Services:			
Operating expenses	1,180,414	1,029,935	150,479
Veterans Services:			
Salaries and benefits	55,512		
Operating expenses	1,232		
Total	<u>59,918</u>	<u>56,744</u>	<u>3,174</u>
Juvenile Crime Prevention Council:			
Salaries and benefits	15,557		
Operating expenses	165,536		
Total	<u>206,450</u>	<u>181,093</u>	<u>25,357</u>
Mental Health:			
Contribution to Partners Behavioral Health	118,000	118,000	-
Total other human services	<u>1,564,782</u>	<u>1,385,772</u>	<u>179,010</u>
Total Human Services	<u>9,171,058</u>	<u>8,221,972</u>	<u>949,086</u>

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Cultural and Recreation:			
Recreational:			
Salaries and benefits	447,819		
Operating expenses	145,321		
Capital outlay	12,500		
Total	<u>654,111</u>	<u>605,640</u>	<u>48,471</u>
Total Cultural and Recreational	<u>654,111</u>	<u>605,640</u>	<u>48,471</u>
Education:			
Public Schools:			
Current expense	7,217,959		
Capital outlay	502,816		
Total	<u>7,720,775</u>	<u>7,720,775</u>	<u>-</u>
Community College:			
Current expense	430,050	430,002	48
Total Education	<u>8,150,825</u>	<u>8,150,777</u>	<u>48</u>
Debt service:			
Principal	3,530,385	3,530,366	19
Interest	626,975	545,267	81,708
Total debt service	<u>4,157,360</u>	<u>4,075,633</u>	<u>81,727</u>
Total expenditures	<u>38,869,770</u>	<u>36,535,032</u>	<u>2,334,738</u>
Revenue over (under) expenditures	<u>(2,768,999)</u>	<u>3,104,061</u>	<u>5,873,060</u>
Other financing sources (uses):			
Transfers to other funds:			
Fire Departments	(147,510)	-	147,510
Capital Projects Fund	(290,000)	(290,000)	-
Enterprise Fund	(5,618)	(5,618)	-
Water/Sewer Fund	(2,869)	(2,869)	-
Transfers from other funds:			
Capital Projects Fund	-	-	-
Total other financing sources (uses)	<u>(445,997)</u>	<u>(298,487)</u>	<u>147,510</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(3,214,996)	2,805,574	6,020,570

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Fund balance appropriated	<u>3,214,996</u>	-	(3,214,996)
Net change in fund balance	<u>\$ -</u>	2,805,574	<u>\$ 2,805,574</u>
Fund balance, beginning, as previously reported		15,358,230	
Prior Period Restatement - change in accounting principle		<u>(375)</u>	
Fund balance, beginning, as restated		<u>15,357,855</u>	
Fund balance, ending		<u>\$ 18,163,429</u>	

Yadkin County
American Rescue Plan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Actual</u>				Variance Positive (Negative)
	Project Authorization	Prior Year	Current Year	Total to Date	
Revenues:					
ARP Funding	\$ 7,316,373	\$ -	\$ -	\$ -	\$(7,316,373)
Expenditures:					
ARP Expenses	7,316,373	-	-	-	7,316,373
Total expenses	7,316,373	-	-	-	7,316,373
Revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources(Uses):					
Appropriated Fund Balance	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1				-	
End of year - June 30				<u>\$ -</u>	

Yadkin County
Major Fund - Capital Projects 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	Actual				Variance Positive (Negative)
	Prior Years	Current Year	Closed Out Projects	Total To Date		
Revenues:						
New Generations:						
Town of Elkin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Memorial Park Grant						
RTP Grant	-	89,590	-	-	89,590	(89,590)
PartF Grant	250,000	182,022	67,978	-	250,000	-
RTP Memorial Park Grant	880,000	-	-	-	-	880,000
Investment earnings - other	-	184	-	-	184	(184)
Total revenues	<u>1,130,000</u>	<u>271,796</u>	<u>67,978</u>	<u>-</u>	<u>339,774</u>	<u>790,226</u>
Expenditures:						
5d Phase 2						
Professional services	27,474	67,820	7,910	-	75,730	(48,256)
Construction	998,090	744,756	275,791	-	1,020,547	(22,457)
Equipment	25,000	3,040	160	-	3,200	21,800
Contingency	40,900	-	-	-	-	40,900
Sheriff Department						
Professional services	246,000	58,817	28,657	-	87,474	158,526
Construction	4,176,000	2,569,335	1,221,404	-	3,790,739	385,261
Furniture and equipment	100,000	-	61,646	-	61,646	38,354
Contingency	100,000	-	-	-	-	100,000
Watershed Project						
Professional services	850,000	-	332,720	-	332,720	517,280
Technical assistance	30,000	-	-	-	-	30,000
Total expenditures	<u>6,593,464</u>	<u>3,443,768</u>	<u>1,928,288</u>	<u>-</u>	<u>5,372,056</u>	<u>1,221,408</u>
Revenues over (under) expenditures	(5,463,464)	(3,171,972)	(1,860,310)	-	(5,032,282)	(431,182)
Other Financing Sources (Uses):						
From General Fund:						
Memorial Park	-	245,345	-	-	245,345	(245,345)
5-D Watershed Phase 2	625,331	889,720	-	-	889,720	(264,389)
To General Fund						
Yadkin County Agricultural and Education Bldg	-	(280,139)	-	-	(280,139)	280,139
Installment Purchase Obligations Issued:						
Sheriff Admin Building	4,622,000	2,628,152	1,311,707	-	3,939,859	682,141
Appropriated Fund Balance	216,133	-	-	-	-	216,133
Total Other Financing Sources (Uses)	<u>5,463,464</u>	<u>3,483,078</u>	<u>1,311,707</u>	<u>-</u>	<u>4,794,785</u>	<u>668,679</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 311,106</u>	<u>(548,603)</u>	<u>\$ -</u>	<u>\$ (237,497)</u>	<u>\$ 237,497</u>
Fund balance, beginning			<u>3,307,802</u>			
Fund balance, ending			<u>\$ 2,759,199</u>			

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Governmental Funds are Special Revenue Funds and Capital Projects Funds.

Yadkin County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total
Assets:			
Cash and cash equivalents	\$ 816,071	\$ 135,222	\$ 951,293
Taxes receivable, net	41,304	-	41,304
Accounts receivable, net	-	-	-
Total assets	<u><u>\$ 857,375</u></u>	<u><u>\$ 135,222</u></u>	<u><u>\$ 992,597</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 20,164	\$ 19,151	\$ 39,315
Due to other funds	<u><u>196,190</u></u>	-	<u><u>196,190</u></u>
Total liabilities	<u><u>216,354</u></u>	<u><u>19,151</u></u>	<u><u>235,505</u></u>
Deferred Inflows of Resources			
Taxes receivables	<u><u>41,304</u></u>	-	<u><u>41,304</u></u>
Fund Balances:			
Restricted for human services	44,095		44,095
Restricted for public safety	756,072	-	756,072
Committed	-	116,071	116,071
Unassigned	<u><u>(200,450)</u></u>	-	<u><u>(200,450)</u></u>
Total fund balances	<u><u>599,717</u></u>	<u><u>116,071</u></u>	<u><u>715,788</u></u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 857,375</u></u>	<u><u>\$ 135,222</u></u>	<u><u>\$ 992,597</u></u>

Yadkin County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2021

	Nonmajor Speical Revenue Funds	Nonmajor Capital Project Fund	Total
Revenues:			
Ad valorem taxes	\$ 2,268,686	\$ -	\$ 2,268,686
Sales tax	155,986	-	155,986
Restricted intergovernmental	2,521,680	-	2,521,680
Permits and fees	20,285	-	20,285
Sales and services	132,258	-	132,258
Interest earned	20,081	-	20,081
Miscellaneous revenues	34,284	2,955	37,239
Total revenues	5,153,260	2,955	5,156,215
Expenditures:			
General government	254,911	377,563	632,474
Public safety	2,727,022	-	2,727,022
Human services	2,392,141	-	2,392,141
Economic and physical development	34,284	-	34,284
Total expenditures	5,408,358	377,563	5,785,921
Revenues over (under) expenditures	(255,098)	(374,608)	(629,706)
Other financing sources (uses):			
Transfers from other funds:			
General Fund	-	290,000	290,000
Net change in fund balances	(255,098)	(84,608)	(339,706)
Fund Balances:			
Fund balance, beginning, as previously	663,750	200,679	864,429
Prior Period Restatement - change in accounting principle	191,065	-	191,065
Fund balance, beginning, as restated	854,815	200,679	1,055,494
Fund balance, ending	\$ 599,717	\$ 116,071	\$ 715,788

Yadkin County
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	Emergency Telephone System Fund	Law Enforcement Fund	Fire Districts Fund	Tax Revenue Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Coronavirus Relief Fund	Total
Assets:									
Cash and cash equivalents	\$ 332,333	\$ 211,105	\$ 213,511	\$ -	\$ 1,726	\$ 11,539	\$ 45,857	\$ -	\$ 816,071
Taxes receivable, net	-	-	41,304	-	-	-	-	-	41,304
Accounts receivable, net	-	-	-	-	-	-	-	-	-
Total assets	\$ 332,333	\$ 211,105	\$ 254,815	\$ -	\$ 1,726	\$ 11,539	\$ 45,857	\$ -	\$ 857,375
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable and accrued liabilities	\$ 877	\$ -	\$ -	\$ -	\$ 1,726	\$ 11,539	\$ 1,762	\$ 4,260	\$ 20,164
Due to other funds	-	-	-	-	-	-	-	196,190	196,190
Total liabilities	877	-	-	-	1,726	11,539	1,762	200,450	216,354
Deferred Inflows of Resources									
Taxes receivable	-	-	41,304	-	-	-	-	-	41,304
Fund Balances:									
Restricted for Stabilization by State Statute	-	-	-	-	-	-	-	-	-
Restricted for human services	-	-	-	-	-	-	44,095	-	44,095
Restricted for public safety	331,456	211,105	213,511	-	-	-	-	-	756,072
Unassigned	-	-	-	-	-	-	-	(200,450)	(200,450)
Total fund balances	331,456	211,105	213,511	-	-	-	44,095	(200,450)	599,717
Total liabilities, deferred inflows of resources, and fund balance	\$ 332,333	\$ 211,105	\$ 254,815	\$ -	\$ 1,726	\$ 11,539	\$ 45,857	\$ -	\$ 857,375

Yadkin County
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2021

	Emergency Telephone System Fund	Law Enforcement Fund	Fire Districts Fund	Tax Revenue Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Coronavirus Relief Fund	Total
Revenues:									
Ad valorem taxes	\$ -	\$ -	\$ 2,268,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,268,686
Sales tax	-	-	155,986	-	-	-	-	-	155,986
Restricted intergovernmental	246,870	10,396	-	-	-	-	374,184	1,890,230	2,521,680
Permits and fees	-	-	-	-	20,285	-	-	-	20,285
Sales and services	-	-	-	-	-	132,258	-	-	132,258
Interest earned	-	-	20,081	-	-	-	-	-	20,081
Miscellaneous	-	-	-	34,284	-	-	-	-	34,284
Total revenues	246,870	10,396	2,444,753	34,284	20,285	132,258	374,184	1,890,230	5,153,260
Expenditures:									
General Government	-	-	-	-	20,285	133,051	-	101,575	254,911
Public safety	278,657	-	2,331,040	-	-	-	-	117,325	2,727,022
Human services	-	-	-	-	-	-	520,361	1,871,780	2,392,141
Economic and physical development	-	-	-	34,284	-	-	-	-	34,284
Total expenditures	278,657	-	2,331,040	34,284	20,285	133,051	520,361	2,090,680	5,408,358
Revenues over (under) expenditures	(31,787)	10,396	113,713	-	-	(793)	(146,177)	(200,450)	(255,098)
Other Financing Sources(Uses):									
Transfer from General Fund	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	(31,787)	10,396	113,713	-	-	(793)	(146,177)	(200,450)	(255,098)
Fund Balances:									
Fund balance, beginning, as previously reported	363,243	200,709	99,798	-	-	-	-	-	663,750
Prior Period Restatement - change in accounting principle	-	-	-	-	-	793	190,272	-	191,065
Fund balance, beginning, as restated	363,243	200,709	99,798	-	-	793	190,272	-	854,815
Fund balance, ending	\$ 331,456	\$ 211,105	\$ 213,511	\$ -	\$ -	\$ -	\$ 44,095	\$ (200,450)	\$ 599,717

Yadkin County
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	<u>\$ 246,870</u>	<u>\$ 246,870</u>	<u>\$ -</u>
Expenditures:			
Public safety:			
Telephone	55,000	47,788	(7,212)
Contracted services	220,245	217,681	(2,564)
Operating expenses	4,190	3,108	(1,082)
Capital, other eligible expenses	10,196	10,080	(116)
Total expenditures	<u>289,631</u>	<u>278,657</u>	<u>(10,974)</u>
Revenues over (under) expenditures	(42,761)	(31,787)	10,974
Other Financing Sources (Uses):			
Appropriated fund balance	<u>42,761</u>	<u>-</u>	<u>(42,761)</u>
Net change in fund balance	<u>\$ -</u>	<u>(31,787)</u>	<u>\$ (31,787)</u>
Fund balance, beginning		<u>363,243</u>	
Fund balance, ending	<u>\$ 331,456</u>		

PSAP RECONCILIATION
June 30, 2019

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP Revenue-Expenditure Report because:

Ending fund balance, reported budget to actual	\$ 331,456
Cumulative prior period revenues and expenditures not reported in the fund (difference in beginning fund balance - budget to actual vs. PSAP report)	<u>(6,526)</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u>\$ 324,930</u>

Yadkin County
Law Enforcement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
			<u>Over/Under</u>
Revenues:			
State			
Controlled Substance	\$ 6,000	\$ 10,396	\$ 4,396
Total revenue	<u>6,000</u>	<u>10,396</u>	<u>4,396</u>
Expenditures:			
Public safety:			
Federal			
DOJ Funds	55,069	-	55,069
Treasury Funds	44,677	-	44,677
State			
Law Enforcement Expenses	6,000	-	6,000
Total expenditures	<u>105,746</u>	<u>-</u>	<u>105,746</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>99,746</u>	<u>-</u>	<u>(99,746)</u>
Net change in fund balance	<u>\$ -</u>	<u>10,396</u>	<u>\$ 10,396</u>
Fund Balance:			
Beginning of year - July 1		<u>200,709</u>	
End of year - June 30		<u>\$ 211,105</u>	

**Yadkin County
Fire Districts Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021**

	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 2,163,300	\$ 2,268,686	\$ 105,386
Sales tax	-	155,986	155,986
Interest income	-	20,081	20,081
Total revenues	2,163,300	2,444,753	281,453
Expenditures:			
Public safety:			
Fire tax distributed to fire districts	2,165,300	2,165,300	-
Sales tax contributed to fire districts	165,740	165,740	-
Total expenses	2,331,040	2,331,040	-
Other Financing Sources(Uses):			
Transfer from General Fund	167,740	-	167,740
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	167,740	-	167,740
Net change in fund balance	\$ -	113,713	\$ 449,193
Fund Balance:			
Beginning of year - July 1		<u>99,798</u>	
End of year - June 30		<u>\$ 213,511</u>	

Yadkin County
Occupancy Tax Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	Final Budget	Actual	Variance Over/Under
Revenues:			
Occupancy tax revenue	<u>\$ 25,000</u>	<u>\$ 34,284</u>	<u>\$ 9,284</u>
Expenditures:			
Economic and physical development:			
Tourism related programs	<u>25,000</u>	<u>34,284</u>	<u>(9,284)</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>

Yadkin County
Deed of Trust Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/Under</u>
Revenues:			
Permits and fees			
Register of deeds	<u>\$ 25,000</u>	<u>\$ 20,285</u>	<u>\$ (4,715)</u>
Expenditures:			
General Government			
Payments of fees collected to the			
State of North Carolina	<u>25,000</u>	<u>20,285</u>	<u>4,715</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
Fund Balance:			
Fund balance, beginning, as previously reported			-
Prior Period Restatement - change in accounting principle			<u>-</u>
Fund balance, beginning, as restated			<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>		

Yadkin County
Fines and Forfeitures Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services			
Penalties, fines, and forfeitures	<u>\$ 200,000</u>	<u>\$ 132,258</u>	<u>\$ (67,742)</u>
Expenditures:			
General Government			
Payments of penalties, fines and forfeitures to the Board of Education	<u>200,000</u>	<u>133,051</u>	<u>66,949</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(793)</u>	<u>\$ (793)</u>
Fund balance, beginning, as previously reported			-
Prior Period Restatement - change in accounting principle		<u>793</u>	
Fund balance, beginning, as restated		<u>793</u>	
Fund balance, ending	<u>\$ -</u>		

Yadkin County
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	Final Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	<u>\$ 400,000</u>	<u>\$ 374,184</u>	<u>\$ (25,816)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>400,000</u>	<u>520,361</u>	<u>(120,361)</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(146,177)</u></u>	<u><u>\$ (146,177)</u></u>
Fund balance, beginning, as previously reported			-
Prior Period Restatement - change in accounting principle		<u>190,272</u>	
Fund balance, beginning, as restated		<u>190,272</u>	
Fund balance, ending	<u><u>\$ 44,095</u></u>		

Yadkin County
Coronavirus Relief Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	Final Budget	Actual	Variance Over/Under
Revenues:			
CARES Act Funding	<u>\$ 2,462,839</u>	<u>\$ 1,890,230</u>	<u>\$ (572,609)</u>
Expenditures:			
General Government	133,704	101,575	32,129
Public Safety	131,300	117,325	13,975
Human Services			
Public Health Expenses	893,941	567,886	326,055
Medical Expenses	41,434	41,434	-
Payroll Expenses	807,329	807,329	-
Compliance Expenses	56,658	56,658	-
Town Reimbursements	<u>398,473</u>	<u>398,473</u>	-
Total expenses	<u>2,462,839</u>	<u>2,090,680</u>	<u>372,159</u>
Revenues over (under) expenditures	<u>-</u>	<u>(200,450)</u>	<u>(200,450)</u>
Other Financing Sources(Uses):			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(200,450)</u>	<u>\$ (200,450)</u>
Fund Balance:			
Beginning of year - July 1			<u>-</u>
End of year - June 30			<u>\$ (200,450)</u>

Yadkin County
Vehicle Replacement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
			<u>Over/Under</u>
Revenues:			
Miscellaneous sale of surplus property	\$ -	\$ 2,955	\$ 2,955
Expenditures:			
General government:			
Equipment	485,000	377,563	107,437
Revenues over (under) expenditures	<u>(485,000)</u>	<u>(374,608)</u>	<u>(104,482)</u>
Other Financing Sources(Uses):			
Transfer from General Fund	290,000	290,000	-
Appropriated Fund Balance	195,000	-	(195,000)
Total other financing sources (uses)	<u>485,000</u>	<u>290,000</u>	<u>(195,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(84,608)</u>	<u>\$ (84,608)</u>
Fund Balance:			
Beginning of year - July 1		<u>200,679</u>	
End of year - June 30		<u>\$ 116,071</u>	

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

**Yadkin County
Landfill Fund**
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Solid waste fees	\$ 2,479,800	\$ 2,451,040	\$ (28,760)
Recycling fees	24,600	36,414	11,814
Miscellaneous	16,608	16,729	121
Total operating revenues	<u>2,521,008</u>	<u>2,504,183</u>	<u>(16,825)</u>
Non-operating revenues:			
Grants	2,500	1,414	(1,086)
Solid waste disposal tax	26,000	29,314	3,314
Scrap tire disposal tax	52,000	51,734	(266)
White good disposal tax	15,000	19,368	4,368
Total non-operating revenues	<u>95,500</u>	<u>101,830</u>	<u>6,330</u>
Total revenues	<u>2,616,508</u>	<u>2,606,013</u>	<u>(10,495)</u>
Expenditures:			
Solid Waste:			
Operating expenditures:			
Personnel services	253,339	249,940	3,399
Contracted services	2,800	1,600	1,200
Maintenance	61,500	51,618	9,882
Other operating expenses	460,435	454,152	6,283
Disposal transfer fee	1,714,527	1,781,783	(67,256)
Total operating expenditures	<u>2,492,601</u>	<u>2,539,093</u>	<u>(46,492)</u>
Supplemental budget expenditures:			
Capital outlay	<u>58,000</u>	<u>56,519</u>	<u>1,481</u>
Total solid waste	<u>2,550,601</u>	<u>2,595,612</u>	<u>(45,011)</u>
Recycling:			
Other operating expenses	61,525	53,826	7,699
Capital outlay	-	-	-
Total recycling	<u>61,525</u>	<u>53,826</u>	<u>7,699</u>
White Goods Expense:			
Contracted Services	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>2,622,126</u>	<u>2,649,438</u>	<u>(27,312)</u>
Revenues over (under) expenditures	<u>(5,618)</u>	<u>(43,425)</u>	<u>(37,807)</u>

**Yadkin County
Landfill Fund**
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Over/Under
Other financing sources (uses):			
Appropriated net position	-	-	-
Transfers (to)/from General Fund	5,618	5,618	-
Total other financing sources (uses)	<u>5,618</u>	<u>5,618</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(37,807)</u>	<u>\$ (37,807)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay	54,899		
Increase in accrued vacation pay	4,599		
Depreciation	(12,530)		
Increase deferred outflows - pension	7,595		
Increase deferred outflows - OPEB	5,550		
Increase in net pension liability	(18,491)		
Decrease deferred inflows - pension	(277)		
Decrease deferred inflows - OPEB	958		
Increase in other post-employment benefits	<u>(19,395)</u>		
Change in net position	<u>\$ (14,899)</u>		

**Yadkin County
Water and Sewer Fund**
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Hwy 21 Water Fees	\$ 175,000	\$ 166,351	\$ (8,649)
East Bend Water Fees	192,000	206,133	14,133
Interest / Penalties	-	211	211
Total Revenue	<u>367,000</u>	<u>372,695</u>	<u>5,695</u>
Expenditures:			
Water Expense			
Salaries & benefits	64,866	62,356	2,510
Maintenance	20	14	6
Other operating expenditures	<u>145,986</u>	<u>143,322</u>	<u>2,664</u>
Total water expense	<u>210,872</u>	<u>205,692</u>	<u>5,180</u>
EB Waterline Expense			
Salaries & benefits	75,068	55,047	20,021
Contracted Services	4,000	2,928	1,072
Water Expense	72,605	71,662	943
Other	<u>12,935</u>	<u>10,832</u>	<u>2,103</u>
Total EB Waterline Expense	<u>164,608</u>	<u>140,469</u>	<u>24,139</u>
Debt Service			
Principal	203,139	203,139	-
Interest	-	-	-
Total debt service	<u>203,139</u>	<u>203,139</u>	<u>-</u>
Total expenditures	<u>578,619</u>	<u>549,300</u>	<u>29,319</u>
Revenues over (under) expenditures	<u>(211,619)</u>	<u>(176,605)</u>	<u>(23,624)</u>
Other financing sources (uses):			
Transfers in:			
General Fund	2,869	2,869	-
Appropriated fund balance	208,750	-	208,750
Total other financing sources (uses)	<u>211,619</u>	<u>2,869</u>	<u>208,750</u>
Revenues and other financing sources (uses)			
over (under) expenditures	<u>\$ -</u>	<u>(173,736)</u>	<u>\$ 185,126</u>

Yadkin County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Over/Under
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation	(395,915)		
Principal paid on debt	203,139		
Increase in compensated absences	2,881		
Increase deferred outflows - pension	2,194		
Increase in deferred outflows - OPEB	2,381		
Increase in net pension liability	(6,539)		
Decrease deferred inflows - pension	(97)		
Decrease deferred inflows - OPEB	196		
Increase in total OPEB liability	<u>(3,956)</u>		
Change in net position	<u><u>\$ (369,452)</u></u>		

Yadkin County
Group Insurance Internal Service Fund
Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services - premiums	\$ 2,666,400	\$ 2,850,268	\$ (183,868)
Operating Expenditures:			
Insurance claims, premiums, and administration charges	<u>2,790,922</u>	<u>2,714,529</u>	<u>(76,393)</u>
Other Financing Sources (Uses):			
Appropriated Fund Balance	<u>124,522</u>	<u>-</u>	<u>124,522</u>
Revenues over (under) expenditures	<u><u>\$ -</u></u>	<u><u>\$ 135,739</u></u>	<u><u>\$ 17,047</u></u>

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the county as an agent for individuals or other governments.

Yadkin County
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 18,655	\$ 18,655
Taxes receivable for other governments, net	34,636	-	34,636
Total assets	<u>34,636</u>	<u>18,655</u>	<u>53,291</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	34,636	18,655	53,291
Total net position	<u>\$ 34,636</u>	<u>\$ 18,655</u>	<u>\$ 53,291</u>

Yadkin County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 539,648	\$ -	\$ 539,648
Collections on behalf of inmates	- -	151,658	151,658
Total additions	<u>539,648</u>	<u>151,658</u>	<u>691,306</u>
DEDUCTIONS			
Tax distributions to other governments	539,648	- -	539,648
Payments on behalf of inmates	- -	145,945	145,945
Total deductions	<u>539,648</u>	<u>145,945</u>	<u>685,593</u>
Net increase (decrease) in fiduciary net position	- -	5,713	5,713
Net position, beginning, as previously reported	- -	- -	- -
Prior period restatement - change in accounting principle	34,636	12,942	47,578
Net position, beginning, as restated	<u>34,636</u>	<u>12,942</u>	<u>47,578</u>
Net position, ending	<u><u>\$ 34,636</u></u>	<u><u>\$ 18,655</u></u>	<u><u>\$ 53,291</u></u>

OTHER SCHEDULES

This section includes additional information on property taxes.

**Yadkin County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021**

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 20,954,365	\$ 20,607,176	\$ 347,189
2019-2020	470,518	-	234,198	236,320
2018-2019	279,669	-	114,529	165,140
2017-2018	186,189	-	61,251	124,938
2016-2017	126,675	-	38,484	88,191
2015-2016	86,151	-	27,545	58,606
2014-2015	60,943	-	17,929	43,014
2013-2014	81,031	-	15,971	65,060
2012-2013	89,121	-	15,828	73,293
2011-2012	72,286	-	13,634	58,652
2010-2011	68,517	-	68,517	-
	<u>\$ 1,521,100</u>	<u>\$ 20,954,365</u>	<u>\$ 21,215,062</u>	<u>1,260,403</u>

Less: allowance for uncollectible accounts:
General Fund (881,852)

Ad valorem taxes receivable - net:
General Fund \$ 378,551

Reconcilement with revenues:

Ad valorem taxes - General Fund	<u>\$ 21,143,660</u>
Reconciling items:	
Interest and Penalty collected	(187,716)
Releases, adjustments, and fees	190,601
Taxes Written Off	68,517
Total reconciling items	<u>71,402</u>
Total collections and credits	<u>\$ 21,215,062</u>

Yadkin County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2021

	County - wide				Total Levy
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
				Amount of Levy	Amount of Levy
Original levy:					
Property taxed at current year's rate	\$ 3,171,382,695	\$ 0.66	\$ 20,958,168	\$ 18,217,225	\$ 2,740,943
Penalties	-		78,529	78,529	-
Total	<u>3,171,382,695</u>		<u>21,036,697</u>	<u>18,295,754</u>	<u>2,740,943</u>
Discoveries:					
Current year taxes	1,527,246	0.66	10,080	10,080	-
Prior year taxes	3,322,920	0.66	21,931	21,931	-
Prior year taxes	3,206,212	0.66	21,161	21,161	-
Prior year taxes	3,179,275	0.66	20,983	20,983	-
Prior year taxes	66,477	0.66	439	439	-
Prior year taxes	3,213	0.66	21	21	-
Total	<u>11,305,343</u>		<u>74,615</u>	<u>74,615</u>	<u>-</u>
Abatements:					
Current year taxes	(14,824,204)	0.66	(153,135)	(153,135)	-
Prior year taxes	(193,526)	0.66	(1,277)	(1,277)	-
Prior year taxes	(188,575)	0.66	(1,245)	(1,245)	-
Prior year taxes	(195,586)	0.66	(1,291)	(1,291)	-
Total	<u>(15,401,891)</u>		<u>(156,948)</u>	<u>(156,948)</u>	<u>-</u>
Total property valuation	<u>\$ 3,167,286,147</u>				
Net levy			20,954,365	18,213,421	2,740,943
Uncollected taxes at June 30, 2021			<u>347,189</u>	<u>347,189</u>	<u>-</u>
Current year's taxes collected			<u>\$ 20,607,176</u>	<u>\$ 17,866,232</u>	<u>\$ 2,740,943</u>
Current levy collection percentage			<u>98.34%</u>	<u>98.09%</u>	<u>100.00%</u>

Yadkin County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2021

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100.00%
-------------------------------	---------

Real Property	\$ 2,299,839,886
Personal Property (includes late listing)	347,796,285
Motor Vehicles	415,294,394
Public Service Companies ²	108,452,130
Total Assessed Valuation	<u><u>\$ 3,171,382,695</u></u>
 Tax Rate per \$100	 <u><u>\$ 0.66</u></u>
 Levy (includes discoveries, late list penalties, releases and abatements)	 <u><u>\$ 20,954,365</u></u>

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

Fire Protection Districts	\$ 2,049,291
---------------------------	--------------

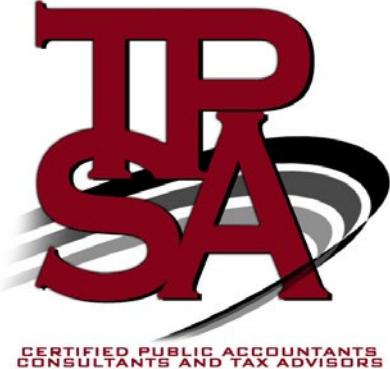
¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

Yadkin County
Ten Largest Taxpayers
June 30, 2021

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation
Unifi Mfg Inc	Manufacturing	\$ 114,634,526	3.62%
Duke Energy Corp	Utility	72,045,854	2.27%
Lydall Inc	Manufacturing	65,817,743	2.08%
B&G Food Snacks Inc	Manufacturing	37,710,138	1.19%
Phillips Van Huesen Corp	Manufacturing	33,246,864	1.05%
Surry Yadkin EMC	Utility	14,508,446	0.46%
Salem Leasing Corp	Manufacturing	9,918,537	0.31%
General Motors LLC	Car Dealership	9,202,125	0.29%
Ford Motor Co - Tooling	Manufacturing	8,114,248	0.26%
Hennings Construction Co LLC	Construction	7,123,174	0.22%
Total		<u>\$ 372,321,655</u>	<u>11.76%</u>

COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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 Auditors' Report

To the Board of County Commissioners
Yadkin County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Yadkin County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Yadkin County's basic financial statements, and have issued our report thereon dated October 8, 2021. The financial statements of the Yadkin County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yadkin County'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 Yadkin County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yadkin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and,

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 8, 2021



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Compliance With Requirements Applicable To Each Major Federal
Program And Internal Control Over Compliance In Accordance With OMB
Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Yadkin County, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Yadkin County'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 Comptroller General of the United States; and 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, OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Yadkin County'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 Yadkin County's compliance.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Yadkin County 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 Yadkin County internal control over compliance with the types of requirements that could have direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstance 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 OMB 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 County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-001, 2021-002, 2021-003 and 2021-004] that we consider to be significant deficiencies.

Yadkin County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Yadkin County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 8, 2021



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Compliance With Requirements Applicable To Each Major State Program
And Internal Control Over Compliance In Accordance With OMB Uniform Guidance
and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Yadkin County, North Carolina

Report on Compliance for Each Major State Program

We have audited Yadkin County, North Carolina's, compliance 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 Yadkin County's major state programs for the year ended June 30, 2021. Yadkin County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Yadkin County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and applicable sections of Title 2 US 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, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Yadkin County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

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 Yadkin County's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Yadkin County 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 Yadkin County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2021-001, 2021-002, 2021-003 and 2021-004] that we consider to be significant deficiencies.

Yadkin County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Yadkin County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 8, 2021

Yadkin County
Schedule of Findings and Questioned Costs
June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiency(s) identified	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiency(s) identified	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported

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

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

Identification of major federal programs:

CFDA #	Program Name
21.019	Coronavirus Relief Fund
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? yes no

State Awards

Internal control over major State programs:

• Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiency(s) identified	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act yes no

Identification of major State programs:

Program Name
Medical Assistance Program
Juvenile Crime Prevention Programs
State Aging Cluster
Public School Building Capital Fund - Lottery Proceeds

Yadkin County
Schedule of Findings and Questioned Costs
June 30, 2021

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA# 93.778

Finding: 2021-001

IV-D Coop with Child Support

SIGNIFICANT DEFICENCY

Eligibility

Criteria: The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.

Condition: There were 3 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-001.

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

Yadkin County
Schedule of Findings and Questioned Costs
June 30, 2021

Section III - Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

Finding: 2021-002

Inaccurate Income Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were 4 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-002.

Cause: Ineffective record keeping and case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions:

Yadkin County
Schedule of Findings and Questioned Costs
June 30, 2021

Section III - Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

Finding: 2021-003

Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were 3 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-003.

Cause: Ineffective record keeping and case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

Yadkin County
Schedule of Findings and Questioned Costs
June 30, 2021

Section III - Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

Finding: 2021-004

Inadequate Request for Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 21 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Cause: Ineffective record keeping and case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

Section IV - State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778

SIGNIFICANT DEFICENCY: Finding 2021-001, 2021-002, 2021-003 and 2021-004 also apply to State requirements and State Awards.

*Kevin Austin, Chairman of Board
David Moxley, Vice Chairman
Gilbert Hemric, Commissioner
Frank Zachary, Commissioner
Marion Welborn, Commissioner*

*Ed Powell, County Attorney
Lisa Hughes, County Manager
Tanya Gentry, Clerk to the Board*



Corrective Action Plan

June 30, 2021

Finding: 2021-001

Name of contact person: Jessica Wall, DSS Director

Corrective Action: Eligibility Supervisors will include Child Support Referrals as part of their internal second party reviews of Medicaid cases to ensure that referrals are made properly and that each referral is documented properly. For cases that are being transferred from another county to Yadkin, Supervisors will examine each case for this issue prior to assigning the transfer to a worker for completion. Eligibility Supervisors will also provide training for all staff around Child Support Referrals.

Proposed Complinace Date: YCHSA has worked on remedying this issue since previous Audit and has already put into place several steps to ensure compliance. An additional training will be held by 10/31/21 around when Child Support Referrals are necessary. Supervisors will continue to include evaluation of Child Support Referrals as part of their second party review process.

Finding: 2021-002

Name of contact person: Jessica Wall, DSS Director

Corrective Action: YCHSA will continue to second party Medicaid cases with at least 100 cases being viewed each quarter (more than the state requirement of 76). We will also design a specialized second party review form for Foster Care and Adoption Assistance Medicaid cases to be used in their review. Training is needed to ensure that Eligibility staff are aware of which verifications are needed in each case as well as documentation as to how they have determined income for each case. Eligibility decisions and case actions should be clearly documented in each case and second party reviews of cases should reflect increased documentation. Staff will also utilize the Critical Age Report to assist in determining eligibility correctly.

Proposed Complinace Date: Increased second party reviews are in place currently and will continue with at least 100 cases being second-party reviewed each quarter. Training will occur by 11/30/21 around how to determine correct income and how to document income sources and calculations. Staff will utilize the Critical Age Report no later than 11/30/21.

Finding: 2021-003

Name of contact person: Jessica Wall, DSS Director

Corrective Action: YCHSA will provide training to staff on what should be contained in each file and the importance of accurate record keeping. In particular, staff should document that online verifications have been run as well as the results and that, as applicable, the Register of Deeds information has been checked. YCHSA will also complete training on how to end-date resources as needed so that they do not jeopardize correct eligibility decisions in the future. Second party reviews will continue to ensure that resources are being entered correctly in NCFast.

Proposed Complinace Date: Training will occur by 11/30/21 and second party reviews will continue indefinitely.

Finding: 2021-004

Name of contact person: Jessica Wall, DSS Director

Corrective Action: YCHSA has already provided training on The Work Number since the last audit and second party reviews of current actions show that this issue has vastly improved. Also, The Work Number is now located within NCFast so there is no need for staff to run this in an older program outside the NCFast system. Eligibility Supervisors have developed a new checklist to include more evaluations of how the agency is doing in terms of correct application of Medicaid policy and adequate information being used to determine eligibility.

Proposed Complinace Date: Training on The Work Number has already been provided to staff and the new checklist is already in use. YCHSA will continue to conduct second party reviews at a higher amount compared to the state mandate.

Yadkin County
Summary Schedule of Prior Year Audit Findings
June 30, 2021

Finding: 2020-001
Status: Repeated as finding 2021-001

Finidng: 2020-002
Status: Repeated as finding 2021-002

Finidng: 2020-003
Status: Repeated as finding 2021-003

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
FEDERAL AWARDS						
<u>U.S. Department of Agriculture</u>						
Natural Resources Conservation Service						
Watershed Rehabilitation Program	10.916		\$ 332,720	\$ -	\$ -	\$ -
Passed through N. C. Department of Health and Human Services						
Division of Public Health						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	13 A2 XXXX	194,493	-	-	-
Passed through N.C. Department of Health and Human Services						
Division of Social Services						
Administration:						
State Administrative Matching Grants						
for Supplemental Nutrition Assist. Program	10.561	175NC406S2514	208,313	-	-	208,313
Total U.S. Department of Agriculture			735,526	-	-	208,313
<u>U.S. Department of Justice</u>						
Passed-through the N.C. Department of Public Safety						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PROJ13875	30,823	-	-	-
Total U.S. Department of Justice			30,823	-	-	-
<u>U.S. Department of Treasury</u>						
Passed-through the Office of State Budget and Management						
NC Pandemic Recovery Office						
Coronavirus Relief Fund	21.019	02-96	1,592,319	-	398,473	-
Passed-through N.C. Department of Commerce						
Economic Development Partnership of NC						
Coronavirus Relief Fund	21.019		21,500	-	-	-
Passed-through NC Dept. of Health and Human Services						
Division of Public Health						
Coronavirus Relief Fund	21.019		61,580	-	-	-
Total Coronavirus Relief Fund			1,675,399	-	398,473	-
Total of U.S. Department of Treasury			1,675,399	-	398,473	-
<u>U.S. Election Assistance Commission</u>						
Passed-through N.C. State Board of Elections						
HAVA Election Security Grants	90.404		80,169	-	-	-
COVID-19 - HAVA Election Security Grants	90.404		19,400	-	-	-
Total of U.S. Election Assistance Commission			99,569	-	-	-
<u>U.S. Department of Health and Human Services</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		15,891	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis	93.116		49	-	-	-
Family Planning Services	93.217		33,862	-	-	-
Immunization Cooperation Agreements	93.268		13,760	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		476	-	-	-
Total Immunization Cooperation Agreements			14,236	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		49,436	-	-	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		25,342	-	-	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			74,778	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		34,644	-	-	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL#	State/ Pass-through	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
	CFDA Number	Grantor's Number				
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		58	-	-	-
Preventive Health and Health Services Block Grant	93.991		28,232	-	-	-
Maternal and Child Health Services Block Grant	93.994		47,934	5,647	-	-
Division of Social Services						
Temporary Assistance for Needy Families (TANF) Cluster						
TANF - Work First	93.558		260,854	-	-	231,133
Division of Public Health						
TANF - Work First	93.558	G1601NCTANF/	4,025	-	-	-
Total TANF Cluster			264,879	-	-	231,133
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658	17021NCFOST	591,742	119,385	-	244,014
Adoption Assistance	93.659	1701NCADPT	7,801	-	-	7,801
Foster Care	N/A		24,773	-	-	114
Total Foster Care and Adoption Cluster			624,316	119,385	-	251,929
Child Support Enforcement	93.563	1704NC4005	234,215	265	-	120,391
Refugee Assistance - Admin	93.566		13	-	-	-
Family Preservation - Admin	93.556		23,898	-	-	-
Low-Income Home Energy Assistance						
Administration	93.568		24,084	-	-	-
Energy Assistance Payments	93.568	G16B1NCLIEA /	90,022	-	-	-
Crisis Intervention Program	93.568	G17B1NCLIEA	71,122	-	-	-
LIEAP - COVID 19	93.568		44,713	-	-	-
LIEAP - COVID 19 Admin	93.568		6,492	-	-	-
Total Low-Income Home Energy Assistance			236,433	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645	G1701NCCWSS	9,412	-	-	3,137
Total Stephanie Tubbs Jones Child Welfare Services Program						
Chafee Foster Care Independence Program	93.674	G1501NC1420 /	6,761	600	-	-
SSBG - Other Service and Training	93.667		163,201	-	-	54,400
Division of Aging and Adult Services:						
Division of Social Services						
SP Child Adoption Incentive Fund	93.667		-	1,197	-	(1,197)
SSBG - Adult Protective Services	93.667		34,893	-	-	8,312
SSBG - In Home Service	93.667		34,822	-	-	4,974
Passed-through Piedmont Triad Regional Council						
SSBG - In Home Service	93.667		7,785	222	-	-
Total Social Service Block Grant			240,701	1,419	-	66,489
Division of Child Development and Early Education						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services						
Childcare Development Mandatory and						
Match Fund - Administration	93.596	DSS 2017	78,437	-	-	-
Total Subsidized Child Care			78,437	-	-	-
Passed through Piedmont Triad Council of Governments						
Division of Aging and Adult Services						
Family Caregiver Support	93.052		16,498	1,100	-	-
CARES Act - Family Caregiver Support	93.052		7,392	-	-	-
Total Family Caregiver Support			23,890	1,100	-	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL#	State/ Pass-through	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
	CFDA Number	Grantor's Number				
Aging Cluster:						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044	NC007 (17)	22,350	1,314	-	-
CARES Act - In-Home/ Supp Services	93.044		12,771	-	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045	NC007 (17)	115,229	6,072	-	-
CARES Act - Congregate Meals	93.045		35,288	-	-	-
Nutrition Services Incentive Program	93.053	NC007 (17)	25,257	-	-	-
Total Aging Cluster			210,895	7,386	-	-
Medical Assistance Program	93.778	XIX-MAP17	763,358	3,533	-	291,411
State Children's Insurance Program - N.C. Health Choice	93.767	CHIP17	37,477	588	-	6,853
Total U.S. Department of Health and Human Services			3,004,368	139,923	-	971,343
U.S. Department of Homeland Security						
Passed through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management - Performance Grants	97.042	EMPG 2018	39,378	-	-	-
COVID-19 - Disaster Grants - Public Assistance	97.036		117,325			
Total U.S. Department of Homeland Security			156,703	-	-	-
Total Federal Awards			\$ 5,702,388	\$ 139,923	\$ 398,473	\$ 1,179,656
STATE AWARDS						
N.C. Department of Health and Human Services						
Division of Public Health						
Food and Lodging Fees			\$ -	\$ 10,339	\$ -	\$ -
Aid-to Counties			-	79,113	-	-
General Communicable Disease Control	1175 4510 00		-	11,307	-	-
Child Health	1271 5745 00		-	6,212	-	-
HIV/STD State			-	177	-	-
Healthy Community Activities			-	3,746	-	-
School Nurse Funding Initiative	1332 5358 AV,		-	50,000	-	-
Family Planning - State	13A1 5735 00		-	8,575	-	-
Maternal Health (HMHC)	13A1 5740 00		-	20,570	-	-
TB Control			-	495	-	-
Women's Health Service Fund	13A1 1306 FR		-	6,211	-	-
Total Division of Public Health			-	196,745	-	-
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	20,369	-	-
APS/CPS Care COVID 19			-	25,403	-	-
County Funded Programs			-	-	-	994,808
Non-Allocating County Cost			-	-	-	196,596
Extended FC/Max Non IV-E			-	14,827	-	-
Extended FC>20 Stipend			-	7,800	-	-
SFHF Maximization			-	83,251	-	83,251
State Foster Home			-	59,168	-	59,167
F/C Risk Maximization			-	947	-	340
COVID-19 FC Stipend			-	26,300	-	-
Total Division of Social Services			-	238,065	-	1,334,162
Passed-Through the Piedmont Triad Regional Council						
Division of Aging and Adult Services:						
State Funds -Access			-	516	-	-
State Funds - Home Delivered Meals			-	64,076	-	-
State Funds - In-Home Services			-	78,030	-	-
State Funds - Senior Center General Purpose	NC007 (17)		-	31,810	-	-
Total Division of Aging			-	174,432	-	-
Total N.C. Department of Health and Human Services			-	598,903	-	1,334,162

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL#	State/ Pass-through	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
	CFDA Number	Grantor's Number				
N.C. Dept. of Public Safety						
Juvenile Crime Prevention Programs		YADKIN	-	136,824	-	-
Total Agency N.C. Department of Public Safety			-	136,824	-	-
N.C. Dept. of Administration						
Division of Veteran Affairs	143B-1211C4		-	2,084	-	-
Veterans Service			-	2,084	-	-
Total N.C. Department of Administration			-	2,084	-	-
N.C. Department of Natural and Cultural Resources						
Division of Parks and Recreation	2018-872		-	67,978	-	-
Parks and Recreation Trust Fund			-	67,978	-	-
Total N.C Department of Natural and Cultural Resources			-	67,978	-	-
N.C. Department of Environmental Quality						
Merger - Regionalization Feasibility Grant			-	8,415	-	-
Electronics Management			-	1,414	-	-
Scrub Tire Fund - SWMGT			-	286	-	-
Total N.C Department of Environmental Quality			-	10,115	-	-
N.C. Department of Agriculture and Consumer Services						
Spay Neuter Program	Reimbursement		-	10,951	-	-
ASCP - Cost Share	YADKIN17		-	26,880	-	-
NC DENR Matching Funds	40100296315SW		-	3,600	-	-
Total N.C. Department of Agriculture and Consumer Services			-	41,431	-	-
N.C. State Board of Elections						
OS Worker Bonuses Fund			-	1,936	-	-
Total N.C. State Board of Elections			-	1,936	-	-
N.C. Department of Public Instruction						
Public School Building Capital Fund - Lottery Proceeds			-	300,000	-	-
Total N.C Department of Public Instruction			-	300,000	-	-
Total State Assistance			\$ -	1,169,610	\$ -	\$ 1,334,162
Total Assistance Federal and State Assistance			\$ 5,702,388	\$ 1,309,533	\$ 398,473	\$ 2,513,818

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 Yadkin County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Yadkin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Yadkin County.

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

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

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL#	State/ Pass-through	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
	CFDA Number	Grantor's Number				

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	384,070	-
Supplemental Nutrition Assistance Program	10.551	11,216,319	-
Medical Assistance Program	93.778	46,429,257	17,641,964
Children's Health Insurance Program	93.767	1,231,390	240,818
IV-E Adopt & Vendor	93.659	447,747	82,949
TANF Payments & Penalties	93.558	117,323	-
CWS Adopt, Vendor, Guard	N/A	-	130,073
SAA/SAD HB 1030	N/A	-	87,179
SC/SA Domiciliary Care	N/A	-	130,591