

YADKIN COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

YADKIN COUNTY, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

Kevin Austin, Chairman

David Moxley, Vice -Chairman

Frank Zachary

Gilbert Hemric

Marion Welborn

COUNTY OFFICIALS

Lisa Hughes

County Manager

Lindsey Cearlock

Finance Officer

Ed Powell

County Attorney

Aric Wilhem

Register of Deeds

Clayton Campbell

Tax Administrator

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements which collectively comprise Yadkin County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Yadkin County, North Carolina as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yadkin County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Yadkin County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Governmental Auditing Standard will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Governmental Auditing Standards, we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Yadkiin County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Liability and County Contributions, pages 63 and 64, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 65 and 66, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 67 and 68, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 69, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists 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 basic financial statements of Yadkin County, North Carolina. 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 24, 2022 on our consideration of Yadkin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose 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 24, 2022

FINANCIAL SECTION

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, 2022. 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.

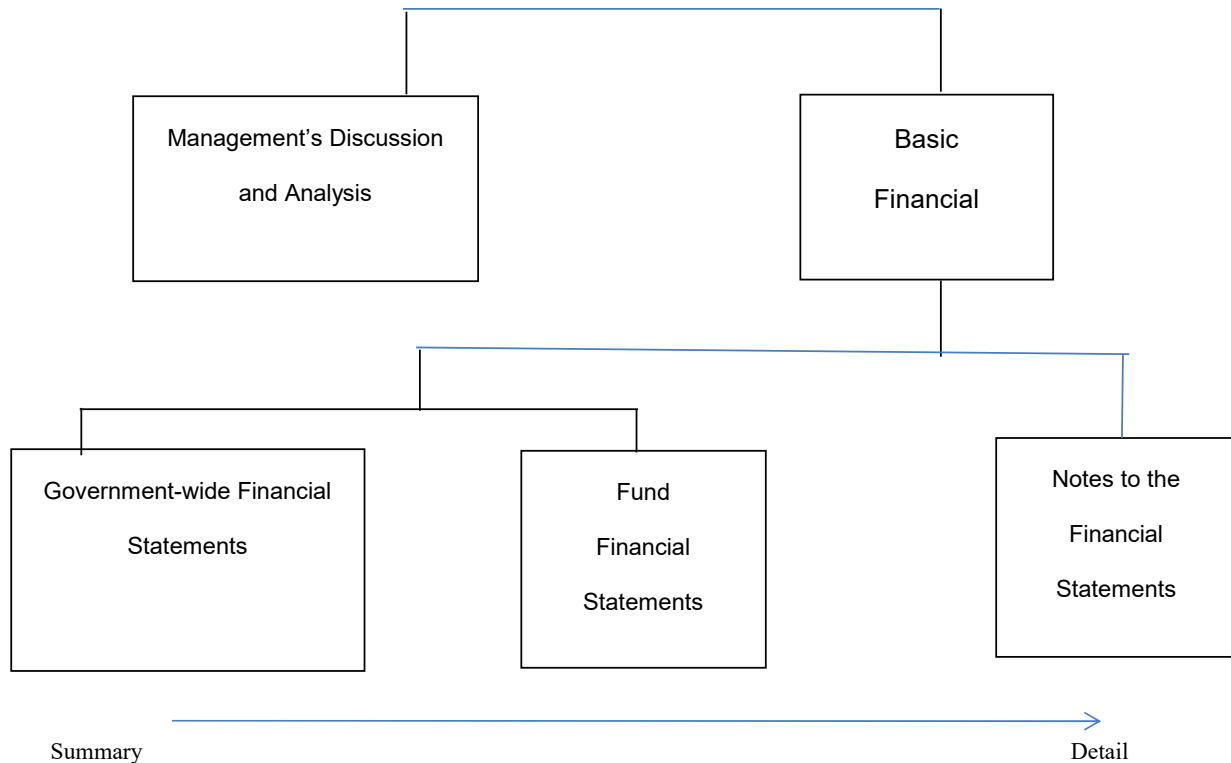
Financial Highlights

- 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 \$65,111,073 (net position).
- The County's total net position increased by \$9,902,183, primarily due to controlled expenses, project expenses that are capitalized, and the available of ARPA funds that were all used as revenue replacement during the year.
- As of the close of the current fiscal year, Yadkin County's total governmental funds reported combined ending fund balances of \$29,003,384, after a net increase in fund balance of \$7,364,967. Approximately 12.68% of this total amount, or \$3,676,550 is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,464,706 or 50.61 percent of total General Fund expenditures and transfers out less lease liabilities issued 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 to 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 10.

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 \$65,111,073 as of June 30, 2022. The County's net position increased by \$9,902,183 for the fiscal year ended June 30, 2022. One of the largest portions of net position \$42,091,343 (64.65%), 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, \$3,738,712, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,281,018 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, 2022.

Yadkin County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 34,740,076	\$ 28,728,359	\$ 817,793	\$ 890,447	\$ 35,557,869	\$ 29,618,806
Capital assets	53,895,426	54,283,832	9,487,112	9,895,882	63,382,538	64,179,714
Total assets	88,635,502	83,012,191	10,304,905	10,786,329	98,940,407	93,798,520
Total deferred outflows of resources	6,325,426	6,362,684	118,249	118,582	6,443,675	6,481,266
Long-term liabilities						
outstanding	26,019,045	32,095,604	3,271,060	3,743,730	29,290,105	35,839,334
Other liabilities	6,871,083	8,664,732	352,255	153,516	7,223,338	8,818,248
Total liabilities	32,890,128	40,760,336	3,623,315	3,897,246	36,513,443	44,657,582
Total deferred inflows of resources	3,691,159	408,228	68,407	5,087	3,759,566	413,315
Net position:						
Net investment in capital assets	35,854,490	34,383,403	6,236,853	6,442,523	42,091,343	40,825,926
Restricted	3,738,712	4,203,444	-	-	3,738,712	4,203,444
Unrestricted	18,786,439	9,619,464	494,579	560,056	19,281,018	10,179,520
Total net position	\$ 58,379,641	\$ 48,206,311	\$ 6,731,432	\$ 7,002,579	\$ 65,111,073	\$ 55,208,890

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 98.17%, which is slightly lower than the last provided 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,048,380	\$ 3,532,911	\$ 2,957,615	\$ 2,876,878	\$ 7,005,995	\$ 6,409,789
Operating grants and contributions	13,047,044	7,191,887	111,145	100,416	13,158,189	7,292,303
Capital grants and contributions	911,704	300,000	-	1,414	911,704	301,414
General revenues:						
Property taxes	23,241,398	23,282,681	-	-	23,241,398	23,282,681
Other taxes	11,454,928	10,428,537	-	-	11,454,928	10,428,537
Other	260,114	45,673	-	-	260,114	45,673
Total revenues	52,963,568	44,781,689	3,068,760	2,978,708	56,032,328	47,760,397
Expenses:						
General government	13,744,646	5,344,954	-	-	13,744,646	5,344,954
Public safety	8,190,866	13,287,291	-	-	8,190,866	13,287,291
Economic and physical development	284,380	748,377	-	-	284,380	748,377
Human services	9,427,351	10,993,707	-	-	9,427,351	10,993,707
Cultural and recreation	1,234,359	1,215,583	-	-	1,234,359	1,215,583
Education	9,457,502	8,150,777	-	-	9,457,502	8,150,777
Interest on long-term debt	446,535	530,335	-	-	446,535	530,335
Landfill	-	-	2,661,314	2,626,530	2,661,314	2,626,530
Water and sewer	-	-	683,192	745,016	683,192	745,016
Total expenses	42,785,639	40,271,024	3,344,506	3,371,546	46,130,145	43,642,570
Increase (decrease) in net position before transfers	10,177,929	4,510,665	(275,746)	(392,838)	9,902,183	4,117,827
Transfers	(4,599)	(8,487)	4,599	8,487	-	-
Increase (decrease) in net position	10,173,330	4,502,178	(271,147)	(384,351)	9,902,183	4,117,827
Net position, beginning	48,206,311	43,513,443	7,386,930	7,386,930	55,593,241	50,900,373
Net position, ending	\$ 58,379,641	\$ 48,206,311	\$ 6,731,432	\$ 7,002,579	\$ 65,111,073	\$ 55,208,890

Governmental activities. Governmental activities increased the County's net position by \$10,173,330. Key elements of this increase are as follows:

- Increase in local option sales tax funds
- Receipt of \$7,316,373 in ARPA Funds that were all used in the current year as revenue replacement
- Receipt of \$359,592 in Coronavirus Funding

Business-type activities. Business-type activities decreased the County's net position by \$271,147. Key elements of this decrease are as follows:

- Operations of the landfill increased net position of the business-type activities by \$51,139, while operations of the Water and Sewer Fund decreased net position by \$322,286. 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, but does record depreciation on this line. 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 \$22,358,498 while total fund balance reached \$25,210,816. Overall, fund balance increased \$7,047,386 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 64.80 percent of total General Fund expenditures, while total fund balance represents 73.06 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 \$29,003,384 an increase of \$7,364,967 in comparison with the prior year. This increase is due to the increase in local option sales tax revenue and the receipt of ARPA funds that were all used as revenue replacement in the current year.

At the end of the current fiscal year, Yadkin County's fund balance available in the Capital Projects Fund was \$2,760,451, while total fund balance for the Capital Projects Fund reached \$2,760,635. Overall, fund balance decreased \$1,436 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 \$4,539,257. Appropriated fund balance was \$4,987,362.

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, 2022, unrestricted net position of the Landfill Fund (Solid Waste Fund) was a deficit of \$82,591. The total increase in the unrestricted net position of the Landfill Fund (Solid Waste Fund) was \$63,993, as compared to the deficit unrestricted net position of \$146,584 at June 30, 2021. This deficit is primarily due to the implementation of GASB 75.

At June 30, 2022, unrestricted net position of the Water and Sewer Fund totaled \$577,170. The total decrease in the unrestricted net position of the Water and Sewer Fund was \$129,470, as compared to the unrestricted net position of \$706,640 at June 30, 2021. 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, 2022, totals \$63,382,538 (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	
	2022	2021	2022	2021	2022	2021
Land	\$ 5,901,653	\$ 5,886,653	\$ 278,462	\$ 278,462	\$ 6,180,115	\$ 6,165,115
Construction in process	5,086,731	5,602,583	-	-	5,086,731	5,602,583
Buildings	40,484,450	40,270,157	34,879	37,247	40,519,329	40,307,404
Improvements	-	-	20,399	22,836	20,399	22,836
Water and sewer lines	-	-	9,099,515	9,495,431	9,099,515	9,495,431
Furniture and equipment	1,210,779	1,135,119	53,857	61,906	1,264,636	1,197,025
Vehicles	1,211,813	1,389,320	-	-	1,211,813	1,389,320
Total	\$ 53,895,426	\$ 54,283,832	\$ 9,487,112	\$ 9,895,882	\$ 63,382,538	\$ 64,179,714

Major capital asset transactions during the year include:

- Purchase of new vehicles for the Sheriff's Office and Building Inspections
- Continued Watershed Project costs
- 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	
	2022	2021	2022	2021	2022	2021
Installment purchase obligations	\$ 16,352,305	\$ 19,261,193	\$ 3,250,220	\$ 3,453,359	\$ 19,602,525	\$ 22,714,552
Lease liability	253,779	-	11,224	-	265,003	-
Net pension liability (LGRS)	2,218,842	5,560,617	43,059	107,908	2,261,901	5,668,525
Total pension liability (LEOSSA)	956,678	926,837	-	-	956,678	926,837
Compensated absences	965,823	891,291	12,388	14,374	978,211	905,665
Total OPEB Liability	8,904,633	8,941,261	165,316	165,997	9,069,949	9,107,258
	\$ 29,652,060	\$ 35,581,199	\$ 3,482,207	\$ 3,741,638	\$ 33,134,267	\$ 39,322,837

Yadkin County's total debt decreased by \$6,188,570 (15.74 percent) during the past fiscal year, primarily due to the new debt for the Sheriff's Administration Building project and lease liabilities recorded as a result of the implementation of GASB 87 which were offset by 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 \$240,929,727.

Economic Factors and Next Year's Budgets and Rates

- The County's unemployment rate has decreased from 4% in June of 2021 to 3.70% in June of 2022, which is above the State average of 3.4%.
- 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, 2023

Governmental Activities: The General Fund projected revenues are expected to be higher than anticipated revenues realized during the fiscal year ended June 30, 2022, 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, 2022 as well. The Board of Commissioners maintained the property tax rate of .66 per \$100 in Fiscal Year 2022. The County will complete construction on a new Sheriff's Administration Building in FY 2023.

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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Yadkin County Tourism Development Authority
ASSETS				
Cash and cash equivalents	\$ 29,088,898	\$ 564,250	\$ 29,653,148	\$ 79,397
Taxes receivable, net	440,850	-	440,850	-
Accounts Receivables, net	871,568	272,096	1,143,664	3,715
Notes receivable, net	362,721	-	362,721	-
Lease receivable	53,390	-	53,390	-
Due from other governments	1,927,012	-	1,927,012	-
Internal balances	51,204	(51,204)	-	-
Restricted cash and cash equivalents	1,639,091	-	1,639,091	-
Inventories	-	21,466	21,466	-
Net pension asset - ROD	51,810	-	51,810	-
Capital assets:				-
Land, improvements, and construction in progress	10,988,384	278,462	11,266,846	-
Other capital assets, net of depreciation	42,907,042	9,208,650	52,115,692	-
Total capital assets	53,895,426	9,487,112	63,382,538	-
Right to use assets, net of amortization	253,532	11,185	264,717	-
Total assets	88,635,502	10,304,905	98,940,407	83,112
DEFERRED OUTFLOWS OF RESOURCES	6,325,426	118,249	6,443,675	-
LIABILITIES				
Accounts payable and accrued expenses	1,528,103	139,523	1,667,626	2,322
Unearned revenues	1,639,091	-	1,639,091	-
Customer deposits	-	-	-	-
Accrued interest payable	70,874	-	70,874	-
Long-term liabilities:				
Net Pension Liability - LGERS	2,218,842	43,059	2,261,901	-
Total Pension Liability - LEOSSA	956,678	-	956,678	-
Due within one year	3,633,015	212,732	3,845,747	-
Due in more than one year	22,843,525	3,228,001	26,071,526	-
Total long-term liabilities	29,652,060	3,483,792	33,135,852	-
Total liabilities	32,890,128	3,623,315	36,513,443	2,322
DEFERRED INFLOWS OF RESOURCES	3,691,159	68,407	3,759,566	-
NET POSITION				
Net investment in capital assets	35,854,490	6,236,853	42,091,343	-
Restricted for:				
Stabilization by State Statute	2,881,870	-	2,881,870	3,715
Tourism promotion	-	-	-	77,075
Public safety	794,589	-	794,589	-
Register of Deeds pension plan	62,253	-	62,253	-
Unrestricted (deficit)	18,786,439	494,579	19,281,018	-
Total net position	\$ 58,379,641	\$ 6,731,432	\$ 65,111,073	\$ 80,790

Yadkin County
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Yadkin County Tourism Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 13,744,646	\$ 1,213,171	\$ 7,521,558	\$ -	\$ (5,009,917)	\$ -	\$ (5,009,917)	
Public safety	8,190,866	2,392,588	625,887	-	(5,172,391)	-	(5,172,391)	
Economic and physical development	284,380	26	3,600	461,704	180,950	-	180,950	
Human services	9,427,351	358,395	4,895,999	-	(4,172,957)	-	(4,172,957)	
Cultural and recreation	1,234,359	84,200	-	-	(1,150,159)	-	(1,150,159)	
Education	9,457,502	-	-	450,000	(9,007,502)	-	(9,007,502)	
Interest/Fees on long-term debt	446,535	-	-	-	(446,535)	-	(446,535)	
Total governmental activities	42,785,639	4,048,380	13,047,044	911,704	(24,778,511)	-	(24,778,511)	
Business-type activities:								
Water and Sewer Fund	683,192	360,906	-	-	-	(322,286)	(322,286)	
Landfill	2,661,314	2,596,709	111,145	-	-	46,540	46,540	
Total business-type activities	3,344,506	2,957,615	111,145	-	-	(275,746)	(275,746)	
Total primary government	\$ 46,130,145	\$ 7,005,995	\$ 13,158,189	\$ 911,704	\$ (24,778,511)	\$ (275,746)	\$ (25,054,257)	
Component Unit:								
Yadkin County TDA	\$ 55,474	\$ -	\$ -	\$ -				\$ (55,474)
Total component unit	\$ 55,474	\$ -	\$ -	\$ -				(55,474)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					23,241,398	-	23,241,398	-
Local option sales tax					11,343,681	-	11,343,681	-
Other taxes and licenses					111,247	-	111,247	40,812
Investment earnings, unrestricted					38,772	-	38,772	-
Miscellaneous, unrestricted					221,342	-	221,342	33,153
Transfers					(4,599)	4,599	-	-
Total general revenues					34,951,841	4,599	34,956,440	73,965
Change in net position					10,173,330	(271,147)	9,902,183	18,491
Net position, beginning					48,206,311	7,002,579	55,208,890	59,153
Net position, beginning, as restated					48,206,311	7,002,579	55,208,890	62,299
Net position, ending					\$ 58,379,641	\$ 6,731,432	\$ 65,111,073	\$ 80,790

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

**Yadkin County
Balance Sheet
Governmental Funds
June 30, 2022**

	Major Funds			Nonmajor	
	General	American Rescue Plan	Capital Projects Fund	Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 23,525,595	\$ -	\$ 2,760,451	\$ 1,215,371	\$ 27,501,417
Restricted cash	-	-	1,500,000	139,091	1,639,091
Taxes receivables, net	386,925	-	-	42,267	429,192
Accounts receivable, net	841,925	-	184	29,459	871,568
Other short-term receivable	362,721	-	-	-	362,721
Lease Receivable	53,390	-	-	-	53,390
Due from other governments	1,927,012	-	-	-	1,927,012
Due from other funds	207,790	-	-	-	207,790
Total assets	<u>27,305,358</u>	<u>-</u>	<u>4,260,635</u>	<u>1,426,188</u>	<u>32,992,181</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	1,145,975	-	-	56,311	1,202,286
Due to other funds	-	-	-	156,586	156,586
Unearned revenues	-	-	1,500,000	139,091	1,639,091
Total liabilities	<u>1,145,975</u>	<u>-</u>	<u>1,500,000</u>	<u>351,988</u>	<u>2,997,963</u>
DEFERRED INFLOWS OF RESOURCES	<u>948,567</u>	<u>-</u>	<u>-</u>	<u>42,267</u>	<u>990,834</u>
Fund Balances:					
Nonspendable:					
Leases	91	-	-	-	91
Restricted:					
Stabilization by State Statute	2,852,227	-	184	29,459	2,881,870
Restricted, all other	-	-	-	794,589	794,589
Committed:	1,945,386	-	2,760,451	363,364	5,069,201
Assigned:	2,948,406	-	-	-	2,948,406
Unassigned	17,464,706	-	-	(155,479)	17,309,227
Total fund balances	<u>25,210,816</u>	<u>-</u>	<u>2,760,635</u>	<u>1,031,933</u>	<u>29,003,384</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,305,358</u>	<u>\$ -</u>	<u>\$ 4,260,635</u>	<u>\$ 1,426,188</u>	

(cont.)

Yadkin County
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2022

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

Total Fund Balance - Governmental Funds	\$ 29,003,384
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)	76,787,639
Less accumulated depreciation	(22,892,213)
Net capital assets	53,895,426
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	355,298
Less accumulated amortization	(101,766)
Net right to use assets	253,532
Net Pension Asset (ROD)	51,810
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,360,468
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	17,329
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	275,596
Deferred outflows of resources:	
LGERS	2,099,893
Register of Deeds	9,144
LEOSSA	262,806
OPEB	2,300,190
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	11,658
Deferred inflows of resources reported in the government-wide statements but not the fund statements:	
LGERS	(3,406,165)
Register of Deeds	(2,133)
LEOSSA	(84,165)
OPEB	(124,275)
Deferred inflows of resources for taxes receivable, EMS receivables, and health receivables	916,413
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	(16,606,084)
Compensated absences	(965,823)
Total pension liability (LEOSSA)	(956,678)
Total OPEB liability	(8,904,633)
Net Pension liability (LGERS)	(2,218,842)
Accrued interest payable	(70,874)
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	1,261,664
Net position of governmental activities	<u>\$ 58,379,641</u>

Yadkin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds			Nonmajor Governmental Funds	Total
	General Fund	American Rescue Plan	Capital Projects Fund		
REVENUES					
Ad valorem taxes	\$ 20,981,714	\$ -	\$ -	\$ 2,251,750	\$ 23,233,464
Local option sales taxes	11,111,736	-	-	231,945	11,343,681
Other taxes and licenses	123,805	-	-	40,244	164,049
Unrestricted intergovernmental	219,643	-	-	-	219,643
Restricted intergovernmental	5,305,004	7,316,373	461,704	740,151	13,823,232
Permits and fees	522,263	-	-	20,674	542,937
Sales and services	2,994,428	-	-	204,485	3,198,913
Investment earnings	18,865	-	-	19,907	38,772
Miscellaneous	276,007	-	-	13,056	289,063
Total revenues	<u>41,553,465</u>	<u>7,316,373</u>	<u>461,704</u>	<u>3,522,212</u>	<u>52,853,754</u>
EXPENDITURES					
Current:					
General government	5,533,954	7,316,373	-	497,826	13,348,153
Public safety	5,159,607	-	354,706	2,661,816	8,176,129
Economic and physical development	619,881	-	459,446	40,244	1,119,571
Health and human services	9,300,350	-	-	341,485	9,641,835
Cultural and recreational	720,402	-	-	-	720,402
Education	9,457,502	-	-	-	9,457,502
Debt service:					
Principal	3,262,772	-	-	-	3,262,772
Interest and other charges	466,177	-	-	-	466,177
Total expenditures	<u>34,520,645</u>	<u>7,316,373</u>	<u>814,152</u>	<u>3,541,371</u>	<u>46,192,541</u>
Excess (deficiency) of revenues over expenditures	<u>7,032,820</u>	<u>-</u>	<u>(352,448)</u>	<u>(19,159)</u>	<u>6,661,213</u>
OTHER FINANCING SOURCES (USES)					
Lease liability issued	354,469	-	-	-	354,469
Transfers from other funds	-	-	-	335,304	335,304
Transfers to other funds	(339,903)	-	-	-	(339,903)
Installment Purchase Obligations Issued	-	-	353,884	-	353,884
Total other financing sources (uses)	<u>14,566</u>	<u>-</u>	<u>353,884</u>	<u>335,304</u>	<u>703,754</u>
Net change in fund balance	<u>7,047,386</u>	<u>-</u>	<u>1,436</u>	<u>316,145</u>	<u>7,364,967</u>
Fund balances, beginning	<u>18,163,430</u>	<u>-</u>	<u>2,759,199</u>	<u>715,788</u>	<u>21,638,417</u>
Fund balances, ending	<u>\$ 25,210,816</u>	<u>\$ -</u>	<u>\$ 2,760,635</u>	<u>\$ 1,031,933</u>	<u>\$ 29,003,384</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, 2022

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

Net change in fund balances - total governmental funds	\$ 7,364,967
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	9,336
Sales and services	101,878
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.	1,595,080
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,983,086)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) not recorded in the fund statements.	(400)
Capital outlay expenditures recorded in the fund statements but capitalized as right to use leased assets in the statement of activities	355,298
Amortization expense, the allocation of those assets over the lease term, that is recorded on the statement of activities but not in the fund statements	(101,766)
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.	3,363,462
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.	(708,353)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,360,468
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	17,329
Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.	275,596
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	(1,402)
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)	19,642
Compensated absences	(74,532)
OPEB Expense	(615,679)
Pension expense	(963,731)
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	159,222
Total changes in net position of governmental activities	<u>\$ 10,173,329</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, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 20,554,000	\$ 20,554,000	\$ 20,981,714	\$ 427,714
Local option sales tax	8,268,216	8,298,216	11,111,736	2,813,520
Other taxes and licenses	136,400	136,400	123,805	(12,595)
Unrestricted intergovernmental	79,113	219,643	219,643	-
Restricted intergovernmental	4,837,748	5,644,139	5,305,004	(339,135)
Permits and fees	397,500	397,500	522,263	124,763
Sales and services	2,276,000	2,393,784	2,994,428	600,644
Investment earnings	1,500	1,500	18,865	17,365
Miscellaneous	139,402	276,287	276,007	(280)
Total revenues	<u>36,689,879</u>	<u>37,921,469</u>	<u>41,553,465</u>	<u>3,631,996</u>
Expenditures:				
Current:				
General government	4,990,443	5,948,228	5,533,954	414,274
Public safety	11,277,733	11,949,859	5,159,607	6,790,252
Economic and physical	630,235	661,427	619,881	41,546
Human services	8,985,694	10,060,036	9,300,350	759,686
Cultural and recreational	677,121	706,016	720,402	(14,386)
Education	8,008,228	9,468,842	9,457,502	11,340
Debt service:				
Principal	3,262,780	3,262,780	3,262,772	8
Interest	537,340	511,740	466,177	45,563
Total expenditures	<u>38,369,574</u>	<u>42,568,928</u>	<u>34,520,645</u>	<u>8,048,283</u>
Revenues over (under) expenditures	<u>(1,679,695)</u>	<u>(4,647,459)</u>	<u>7,032,820</u>	<u>11,680,279</u>
Other financing sources (uses):				
Lease liabilities issued	-	-	354,469	354,469
Transfers to other funds	-	(339,903)	(339,903)	-
Appropriated fund balance	<u>1,679,695</u>	<u>4,987,362</u>	<u>-</u>	<u>(4,987,362)</u>
Total other financing sources (uses)	<u>1,679,695</u>	<u>4,647,459</u>	<u>14,566</u>	<u>(4,632,893)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,047,386</u>	<u>\$ 7,047,386</u>
Fund balance, beginning of year			<u>18,163,430</u>	
Fund balance, end of year			<u>\$ 25,210,816</u>	

Yadkin County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities			Governmental
	Major			Activities
	Landfill Fund	Water and Sewer Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 564,250	\$ 564,250	\$ 1,587,481
Accounts receivable, net	227,830	44,266	272,096	-
Due from other governments	-	-	-	-
Inventories	-	21,466	21,466	-
Total current assets	227,830	629,982	857,812	1,587,481
Noncurrent assets:				
Capital assets:				
Land and construction in progress	278,462	-	278,462	-
Other capital assets, net of depreciation	109,135	9,099,515	9,208,650	-
Total capital assets	387,597	9,099,515	9,487,112	-
Right to use, net of amortization	-	11,185	11,185	-
Total assets	615,427	9,740,682	10,356,109	1,587,481
DEFERRED OUTFLOWS OF RESOURCES	98,075	20,174	118,249	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	124,985	14,538	139,523	325,817
Due to other funds	51,204	-	51,204	-
Accrued vacation benefits	3,097	396	3,493	-
Current portion of long term liabilities	-	209,239	209,239	-
Total current liabilities	179,286	224,173	403,459	325,817
Noncurrent liabilities:				
Compensated absences	9,291	1,189	10,480	-
Net pension liability	34,753	8,306	43,059	-
Net OPEB liability	137,312	28,004	165,316	-
Long-term debt, non-current portion	-	3,052,205	3,052,205	-
Total noncurrent liabilities	181,356	3,089,704	3,271,060	-
Total liabilities	360,642	3,313,877	3,674,519	325,817
DEFERRED INFLOWS OF RESOURCES	47,854	20,553	68,407	-
NET POSITION				
Net investment in capital assets	387,597	5,849,256	6,236,853	-
Unrestricted	(82,591)	577,170	494,579	1,261,664
Total net position	\$ 305,006	\$ 6,426,426	\$ 6,731,432	\$ 1,261,664

Yadkin County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental Activities
	Major		Total	Internal Service Fund
	Landfill Fund	Water and Sewer Fund		
OPERATING REVENUES				
Charges for services	\$ 2,596,709	\$ 360,906	\$ 2,957,615	\$ 3,722,528
OPERATING EXPENSES				
Solid Waste	2,586,734	-	2,586,734	-
Recycling	61,726	-	61,726	-
Water and Sewer	-	281,177	281,177	-
Group Insurance	-	-	-	3,563,306
Depreciation and Amortization	12,854	402,015	414,869	-
Total operating expenses	2,661,314	683,192	3,344,506	3,563,306
Operating income (loss)	(64,605)	(322,286)	(386,891)	159,222
NONOPERATING REVENUES (EXPENSES)				
Solid waste disposal tax	30,468	-	30,468	-
Scrap tire disposal tax	60,650	-	60,650	-
White goods disposal tax	20,027	-	20,027	-
Total nonoperating revenues (expenses)	111,145	-	111,145	-
Income (loss) before contributions and transfers	46,540	(322,286)	(275,746)	159,222
Transfer (to)/from other funds	4,599	-	4,599	-
Change in net position	51,139	(322,286)	(271,147)	159,222
Total net position, beginning	253,867	6,748,712	7,002,579	1,102,442
Total net position, ending	\$ 305,006	\$ 6,426,426	\$ 6,731,432	\$ 1,261,664

Yadkin County
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental
	Major			Activites
	Landfill Fund	Water and Sewer Fund	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 2,547,033	\$ 358,697	\$ 2,905,730	\$ 3,722,528
Cash paid for goods and services	(2,356,310)	(213,145)	(2,569,455)	(3,494,290)
Cash paid to employees for services	(301,717)	(76,827)	(378,544)	-
Net cash provided (used) by operating activities	(110,994)	68,725	(42,269)	228,238
Cash flows from noncapital financing activities:				
Intergovernmental non-operating revenues received	111,145	-	111,145	-
Increase (decrease) in due to other funds	(4,750)	-	(4,750)	-
Transfer from other funds	4,599	-	4,599	-
Net cash provided (used) by noncapital financing activities	110,994	-	110,994	-
Cash flows from capital and related financing activities:				
Principal paid on installment debt	-	(203,139)	(203,139)	-
Principal paid on lease liability	-	(6,061)	(6,061)	-
Net cash used by capital and related financing activities	-	(209,200)	(203,139)	-
Net increase (decrease) in cash and cash equivalents	-	(140,475)	(140,475)	228,238
Cash and cash equivalents, beginning	-	704,725	704,725	1,359,243
Cash and cash equivalents, ending	\$ -	\$ 564,250	\$ 564,250	\$ 1,587,481

Yadkin County
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	<u>Business-Type Activites</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Landfill</u>	<u>Water and</u>		<u>Internal</u>
	<u>Fund</u>	<u>Sewer Fund</u>	<u>Total</u>	<u>Service Fund</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (64,605)	\$ (322,286)	\$ (386,891)	\$ 159,222
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	12,854	402,015	414,869	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(49,676)	(2,209)	(51,885)	-
(Increase) decrease in due from other government	-	-	-	-
(Increase) decrease in deferred outflows of resources - pensions	(15,627)	6,638	(8,989)	-
(Increase) decrease in deferred outflows of resources - OPEB	8,050	1,272	9,322	-
Increase (decrease) in accounts payable	(6,548)	(1,955)	(8,503)	69,016
Increase (decrease) in net pension liability	(36,791)	(28,058)	(64,849)	-
Increase (decrease) in total OPEB liability	(565)	(116)	(681)	-
Increase (decrease) in deferred inflows of resources - pensions	44,859	19,614	64,473	-
Increase (decrease) in deferred inflows of resources - OPEB	(959)	(195)	(1,154)	-
Increase (decrease) in accrued vacation benefits	(1,986)	(5,995)	(7,981)	-
Total adjustments	<u>(46,389)</u>	<u>391,011</u>	<u>344,622</u>	<u>69,016</u>
Net cash provided by (used in) operating activities	<u>\$ (110,994)</u>	<u>\$ 68,725</u>	<u>\$ (42,269)</u>	<u>\$ 228,238</u>

Yadkin County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 48,689
Taxes receivable from other governments, net	<u>34,608</u>
Total assets	<u>83,297</u>
LIABILITIES	
Accounts Payable and accrued liabilities	-
Due to other governments	<u>38,733</u>
Total liabilities	<u>38,733</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	44,564
Total fiduciary net position	<u><u>\$ 44,564</u></u>

Yadkin County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Total Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 908,383
Collections on behalf of inmates	149,752
Total additions	<u>1,058,135</u>
DEDUCTIONS	
Tax distributions to other governments	908,785
Payments on behalf of inmates	158,077
Total deductions	<u>1,066,862</u>
Net increase (decrease) in fiduciary net position	(8,727)
Net position, beginning	<u>53,291</u>
Net position, ending	<u><u>\$ 44,564</u></u>

Yadkin County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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 ten 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, the Coronavirus Relief Fund, and the Opioid Settlement 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, Opioid Settlement Funds, and the ARPA Special Revenue Fund. 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.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Tax Revaluation	\$ -
Opioid Settlement Fund	Unexpended Settlement Proceeds	139,091
Capital Project Fund	Unspent Grant Proceeds	1,500,000
Total Governmental Activities		<u>1,639,091</u>
Total Restricted Cash		<u>\$ 1,639,091</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, 2021. 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. **Lease Receivable**

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

6. **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.

7. **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.

8. **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:

	<u>Years</u>
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

9. **Right to use assets**

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

10. **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 meets 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, lease receivables, and other OPEB or pension deferrals.

11. 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.

12. 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.

13. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$139,091 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

14. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$7,316,373 of fiscal recovery funds to be paid in two equal installments. The first installment of \$3,658,186.50 was received in May 2021 and the second installment was received in June 2022. County staff and the Board of Commissioners have elected to use the funds for revenue replacement in Fiscal Year 2022. Revenue replacement funds will be transferred to the appropriate funds once the County has determined the intended use of the funds.

15. 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.

Leases - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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, 2022 is as follows:

Purpose	Other		
	General Fund	Capital Projects Fund	Governmental Funds
Restricted, all other:			
Stabilization by State Statute	\$ 2,852,227	\$ 184	\$ 29,459
Human Services	-	-	30,284
Public Safety	-	-	764,305
Total	<u>\$ 2,852,227</u>	<u>\$ 184</u>	<u>\$ 824,048</u>

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, 2022 is as follows:

	General	Capital	Nonmajor
Purpose	Fund	Projects Fund	Governmental Fund
Committed, all other:			
Tax revaluation	\$ -	\$ -	\$ -
County Future Capital	530,000	2,760,451	363,364
Public Safety	800,000	-	-
School Future Capital	615,386	-	-
Total	\$ 1,945,386	\$ 2,760,451	\$ 363,364

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	\$ 25,210,816
Less:	
Nonspendable	(91)
Stabilization by State Statute	(2,852,227)
Fund Balance available for appropriation	<u>\$ 22,358,498</u>
Available fund balance as a % of GF Expenditures	64.14%

The County had no outstanding encumbrances as of June 30, 2022.

16. **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.

17. **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

The County reported the following overexpenditures in the General Fund as a result of not properly budgeting for the initial recording of leases as required for the implementation of GASB 87: Administration \$10,678; Finance \$5,733; Register of Deeds \$8,069; Public Building \$13,485; Cultural and Recreational \$14,386. The County also reported overexpenditures in the Solid Waste fund of \$33,565.

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, 2022 the County's deposits had a carrying amount of \$19,549,818 and a bank balance of \$20,442,565. Of the carrying amount, \$4,400 was cash on hand. Of the bank balance, \$250,000 was covered by federal depository insurance; the remaining \$20,192,565 was covered by collateral and held under the Pooling Method.

At June 30, 2022 the Tourism Development Authority's deposits had a carrying amount of \$79,397. The TDA does not maintain a separate bank account, but is part of the County's central depository account.

Investments

As of June 30, 2022, 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	\$ 11,791,110	\$ 11,791,110	\$ -	\$ -

Because the NCCMT Government Portfolio has 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 Moody'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, 2022.

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
2019	\$ 3,032,662	\$ 993,197	\$ 4,025,859
2020	3,058,129	726,306	3,784,435
2021	3,068,479	452,601	3,521,080
2022	3,078,930	177,038	3,255,968
Total	<u>\$ 12,238,200</u>	<u>\$ 2,349,142</u>	<u>\$ 14,587,342</u>

Receivables

Receivables at the government-wide level at June 30, 2022, were as follows:

	Accounts	Taxes	Interest Receivable	Due From Other Governments	Total
Governmental activities:					
Ad valorem taxes	\$ -	\$ 1,193,218	\$ 184	\$ -	\$ 1,193,402
Allowance for doubtful accounts	-	(794,635)	-	-	(794,635)
Ad valorem taxes, net	-	398,583	184	-	398,767
Fire district taxes	-	127,166	-	-	127,166
Allowance for doubtful accounts	-	(84,899)	-	-	(84,899)
Fire district taxes, net	-	42,267	-	-	42,267
Local option sales tax	-	-	-	1,741,849	1,741,849
Accounts receivable	768,203	-	-	-	768,203
Sales tax refund	-	-	-	185,163	185,163
Other accounts receivable	684,712	-	-	-	684,712
Allowance for doubtful accounts	(218,810)	-	-	-	(218,810)
Total governmental activities	\$ 1,234,105	\$ 440,850	\$ 184	\$ 1,927,012	\$ 3,602,151
	Accounts	Taxes	Interest Receivable	Due From Other Governments	Total
Business-type activities:					
Landfill	\$ 378,941	\$ -	\$ -	\$ -	\$ 378,941
Allowance for doubtful accounts	(151,111)	-	-	-	(151,111)
Total Landfill	227,830	-	-	-	227,830
Water & Sewer	44,266	-	-	-	44,266
Total business-type activities	\$ 272,096	\$ -	\$ -	\$ -	\$ 272,096

Leases Receivable

On 07/01/2021, County of Yadkin_NC entered into a 24 month lease as Lessor for the use of Yadkin Hospital - Medical Office. An initial lease receivable was recorded in the amount of \$13,209. As of 06/30/2022, the value of the lease receivable is \$6,621. The lessee is required to make monthly fixed payments of \$653.50. The lease has an interest rate of 0.5925%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$6,604, and County of Yadkin recognized lease revenue of \$6,604 during the fiscal year.

On 08/01/2021, County of Yadkin_NC entered into a 36 month lease as Lessor for the use of Office Space - 208 N. Jackson Street. An initial lease receivable was recorded in the amount of \$6,107. As of 06/30/2022, the value of the lease receivable is \$4,253. The lessee is required to make monthly fixed payments of \$171.50. The lease has an interest rate of 0.7505%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$4,241, and County of Yadkin recognized lease revenue of \$1,866 during the fiscal year.

On 07/01/2021, County of Yadkin_NC entered into a 13 month lease as Lessor for the use of Medical Office - PQA Healthcare. An initial lease receivable was recorded in the amount of \$9,598. As of 06/30/2022, the value of the lease receivable is \$740. The lessee is required to make monthly fixed payments of \$840. The lease has an interest rate of 0.4661%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$738, and County of Yadkin recognized lease revenue of \$8,859 during the fiscal year.

On 07/01/2021, County of Yadkin_NC entered into a 47 month lease as Lessor for the use of Medical Office Space - 320 W Maple Street. An initial lease receivable was recorded in the amount of \$56,018. As of 06/30/2022, the value of the lease receivable is \$41,777. The lessee is required to make monthly fixed payments of \$1,200. The lease has an interest rate of 0.3555%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$41,715, and County of Yadkin recognized lease revenue of \$14,302 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 23,668	\$ 172	\$ 23,840
2024	16,374	84	16,458
2025	13,348	24	13,372
	<u>\$ 53,390</u>	<u>\$ 280</u>	<u>\$ 53,670</u>

The Tourism Development Authority's receivables consists of occupancy taxes from local hotels of \$3,715. Management expects all accounts receivable to be collected; therefore, no allowance for doubtful accounts has been recorded.

Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,886,653	\$ 15,000	\$ -	\$ 5,901,653
Construction in Progress	5,602,583	814,152	(1,330,004)	5,086,731
Total capital assets not depreciated	<u>11,489,236</u>	<u>829,152</u>	<u>(1,330,004)</u>	<u>10,988,384</u>
Capital assets being depreciated:				
Buildings and improvements	54,336,456	1,432,384	-	55,768,840
Furniture and equipment, software	4,767,540	340,066	-	5,107,606
Vehicles and motor equipment	4,730,058	323,482	(130,731)	4,922,809
Total capital assets being depreciated	<u>63,834,054</u>	<u>2,095,932</u>	<u>(130,731)</u>	<u>65,799,255</u>
Less accumulated depreciation for:				
Buildings and improvements	14,066,299	1,218,091	-	15,284,390
Furniture and equipment, software	3,632,421	264,406	-	3,896,827
Vehicles and motor equipment	3,340,738	500,589	(130,331)	3,710,996
Total accumulated depreciation	<u>21,039,458</u>	<u>\$ 1,983,086</u>	<u>\$ (130,331)</u>	<u>22,892,213</u>
Total capital assets being depreciated, net	<u>42,794,596</u>			<u>42,907,042</u>
Governmental activity capital assets, net	<u>\$ 54,283,832</u>			<u>\$ 53,895,426</u>

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

Governmental Activities:	
General government	\$ 625,555
Public Safety	552,211
Economic and physical development	181,451
Human services	28,737
Cultural and recreation	595,132
Total depreciation expense	<u>\$ 1,983,086</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	271,376	-	(26,930)	244,446
Total capital assets being depreciated	<u>856,915</u>	<u>-</u>	<u>(26,930)</u>	<u>829,985</u>
Less accumulated depreciation for:				
Buildings	301,252	2,368	-	303,620
Land improvements	224,204	2,437	-	226,641
Furniture and moveable equipment	209,470	8,049	(26,930)	190,589
Total accumulated depreciation	<u>734,926</u>	<u>\$ 12,854</u>	<u>\$ (26,930)</u>	<u>720,850</u>
Total capital assets being depreciated, net	<u>121,989</u>			<u>109,135</u>
Landfill capital assets, net	<u>\$ 400,451</u>			<u>\$ 387,597</u>
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	<u>13,849,804</u>	<u>-</u>	<u>-</u>	<u>13,849,804</u>
Less accumulated depreciation for:				
Sewer lines	1,491,265	94,990	-	1,586,255
Water lines	2,863,108	300,926	-	3,164,034
Total accumulated depreciation	<u>4,354,373</u>	<u>\$ 395,916</u>	<u>\$ -</u>	<u>4,750,289</u>
Total depreciable capital assets, net	<u>9,495,431</u>			<u>9,099,515</u>
Water and sewer capital assets, net	<u>\$ 9,495,431</u>			<u>\$ 9,099,515</u>
Business-type activities capital assets, net	<u>\$ 9,895,882</u>			<u>\$ 9,487,112</u>

Construction Commitments

The government has active construction projects as of June 30, 2022. 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	\$ 4,294,566	\$ 327,434
Total	<u>\$ 4,294,566</u>	<u>\$ 327,434</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2022 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital Assets	\$ 43,160,574	\$ 9,498,297
Long-term debt	(16,606,084)	(3,261,444)
Long-term debt for assets not owned by the County	9,300,000	-
Net investment in capital assets	<u>\$ 35,854,490</u>	<u>\$ 6,236,853</u>

Right to Use Leased Assets

The County has recorded two several right to use leased assets. The assets are right to use assets for leased copier equipment and leased vehicles. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased vehicles	\$ -	\$ 162,852	\$ -	\$ 162,852
Leased equipment	-	192,446	-	192,446
Total right to use assets	-	355,298	-	355,298
Less accumulated amortization for:				
Leased vehicles	-	46,910	-	46,910
Leased equipment	-	54,856	-	54,856
Total accumulated amortization	-	101,766	-	101,766
Right to use assets, net	<u>\$ -</u>	<u>\$ 253,532</u>	<u>\$ -</u>	<u>\$ 253,532</u>

Right to Use Leased Assets (continued)**Enterprise Funds:**

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased vehicles	\$ -	\$ 17,285	\$ -	\$ 17,285
Leased equipment	-	-	-	-
Total right to use assets	-	17,285	-	17,285
Less accumulated amortization for:				
Leased vehicles	-	6,100	-	6,100
Leased equipment	-	-	-	-
Total accumulated amortization	-	6,100	-	6,100
Right to use assets, net	\$ -	\$ 11,185	\$ -	\$ 11,185

B. Liabilities**Accounts Payable**

Accounts payable at Exhibit 1 at June 30, 2022 were as follows:

	<u>Vendors</u>	<u>Accrued</u> <u>Salaries</u>	<u>Accrued</u> <u>Interest</u>	<u>Insurance</u> <u>Claims Incurred</u> <u>But</u> <u>Not Reported</u>	<u>Total</u>
Governmental activities:					
General	\$ 836,030	\$ 309,945	\$ 70,874	\$ -	\$ 1,216,849
Other Governmental	56,311	-	-	-	56,311
Internal Service Fund	-	-	-	325,817	325,817
Total governmental activities	\$ 892,341	\$ 309,945	\$ 70,874	\$ 325,817	\$ 1,598,977
Business-type activities:					
Landfill	\$ 116,720	\$ 8,265	\$ -	\$ -	\$ 124,985
Water & Sewer	12,238	2,300	-	-	14,538
Total business-type activities	\$ 128,958	\$ 10,565	\$ -	\$ -	\$ 139,523

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, 2022, was 12.04% of compensation for law enforcement officers and 11.42% 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 \$1,383,371 for the year ended June 30, 2022.

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, 2022, the County reported a liability of \$2,261,901 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the County's proportion was 0.14749%, which was a decrease of 0.01114% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$891,382. 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	\$ 719,592	\$ -
Changes of assumptions	1,421,051	-
Net difference between projected and actual earnings on pension plan investments	-	3,231,577
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	240,688
County contributions subsequent to the measurement date	1,383,371	-
Total	<u>\$ 3,524,014</u>	<u>\$ 3,472,265</u>

\$1,383,371 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$ 112,355
2024	(146,511)
2025	(308,585)
2026	(988,881)
Thereafter	-
Total	<u>\$ (1,331,622)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, which includes a 3.25% inflation and productivity factor
Investment Rate of Return	6.5 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, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
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 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50%, 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(5.50%)</u>	<u>Discount</u> <u>Rate</u> <u>(6.50%)</u>	<u>1%</u> <u>Increase</u> <u>(7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 8,780,510	\$ 2,261,901	\$ (3,102,536)

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	<u>44</u>

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	2.06 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 based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Contributions

The 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 \$70,646 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, 2022, the County reported a total pension liability of \$956,678. The total pension liability was measured as of December 31, 2021 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$84,506.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 94,480	\$ 68,962
Changes of assumptions and other inputs	168,326	15,203
County benefit payments and plan administrative expense made subsequent to the measurement date	17,329	-
Total	<u>\$ 280,135</u>	<u>\$ 84,165</u>

\$17,329 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ 33,541
2024	39,696
2025	47,735
2026	59,411
2027	(1,742)
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 2.06%, 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 (1.06%) or 1-percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total pension liability	\$ 1,047,569	\$ 956,678	\$ 875,036

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

	<u>2022</u>
Beginning balance	\$ 926,837
Service Cost	47,736
Interest on the total pension liability	17,649
Differences between expected and actual experience in the measurement of the total pension	-
Changes in assumptions or other inputs	(10,732)
Benefit payments	<u>(24,812)</u>
Ending balance of the total pension liability	<u>\$ 956,678</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2021 (reporting date) to 2.06 percent at June 30, 2022 (reporting 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, 2019.

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 fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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 \$99,603 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 \$3,432 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$51,810 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the County's proportion was 0.26966%, which was a decrease of 0.02619% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$4,812. At June 30, 2022, 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	\$ 553	\$ 628
Changes of assumptions	3,778	-
Net difference between projected and actual earnings on pension plan investments	-	159
Changes in proportion and differences between County Contributions and proportionate share of contributions	4,813	1,346
County contributions subsequent to the measurement date	3,432	-
Total	<u>\$ 12,576</u>	<u>\$ 2,133</u>

\$3,432 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$ 3,145
2024	2,778
2025	(121)
2026	1,209
2027	-
Thereafter	-
	<u>\$ 7,011</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% - 8.25%
Investment Rate of Return	3.00%, 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, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (41,153)	\$ 51,810	\$ (60,765)

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, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020. 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)	\$ 2,261,901	\$ (51,810)	\$ -	\$ 2,210,091
Proportion of the Net Pension Liability (Asset)	0.1475%	0.2697%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 956,678	\$ 956,678
Pension Expense (Revenue)	\$ 891,382	\$ 4,812	\$ 84,506	\$ 980,700

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	\$ 719,592	\$ 553	\$ 94,480	\$ 814,625
Changes of assumptions	1,421,051	3,778	168,326	1,593,155
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Change in proportion and differences between County contributions and proportionate share of contributions	-	4,813	-	4,813
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,383,371	3,432	17,329	1,404,132
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ -	\$ 628	\$ 68,962	\$ 69,590
Changes of assumptions	-	159	15,203	15,362
Net difference between projected and actual earnings on pension plan investments	3,231,577	-	-	3,231,577
Changes in proportion and differences between County contributions and proportionate share of contributions	240,688	1,346	-	242,034

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 \$9,069,949 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

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

Inflation	2.50 percent
Salary increases	3.5 - 7.75 percent, average, including inflation
Discount rate	2.16 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, 2020	\$ 9,107,257
Changes for the year	
Service cost	356,320
Interest	194,287
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	44,103
Benefit payments	<u>(632,018)</u>
Net Changes	\$ (37,308)
Balance at June 30, 2021	<u>\$ 9,069,949</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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 ended December 2019, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 9,956,310	\$ 9,069,949	\$ 8,282,360

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	\$ 8,127,872	\$ 9,069,949	\$ 10,201,217

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$631,628. At June 30, 2022, 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	\$ 1,288,308	\$ 50,763
Changes of assumptions	1,054,585	75,819
Benefit payments and administrative costs made subsequent to the measurement date	275,596	-
Total	\$ 2,618,489	\$ 126,582

\$275,596 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ 392,883
2024	392,889
2025	456,177
2026	456,177
2027	302,533
Thereafter	215,652

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	\$ 719,592	\$ -
Register of Deeds	553	628
LEOSSA	94,480	68,962
OPEB	1,288,308	50,763
Changes of assumptions		
LGERS	1,421,051	-
Register of Deeds	3,778	-
LEOSSA	168,326	15,203
OPEB	1,054,585	75,819
Pensions, OPEB - difference between projected and actual investment earnings		
LGERS	-	3,231,577
Register of Deeds	-	159
OPEB	-	-
Pensions, OPEB - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	240,688
Register of Deeds	4,813	1,346
Contributions to pension plan		
LGERS	1,383,371	-
Register of Deeds	3,432	-
LEOSSA	17,329	-
Benefit payments for the OPEB plan paid subsequent to measurement date	275,596	-
Leases (General)	-	53,299
Prepaid taxes not yet earned (General)	-	21,122
Taxes receivable, net (General)	-	386,925
Taxes receivable, net (Special Revenue)	-	42,267
EMS receivable (General)	-	484,390
Other receivable (General)	-	1,926
Health receivable (General)	-	905
Total	<u>\$ 6,435,214</u>	<u>\$ 4,675,979</u>

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 \$47.9 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 \$47,939,220. 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 \$1,000 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:

	2022	2021
Unpaid claims, beginning	\$ 256,801	\$ 264,129
Incurred claims	2,811,673	2,138,370
Claim payments	(2,742,657)	(2,145,698)
Unpaid claims, ending	<u>\$ 325,817</u>	<u>\$ 256,801</u>

Long-Term Obligations

Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Governmental Activities

On 07/01/2021, the County entered into a 33 month lease as Lessee for the use of Vehicle - 22ZLKD. An initial lease liability was recorded in the amount of \$17,130. As of 06/30/2022, the value of the lease liability is \$10,939. The County is required to make monthly fixed payments of \$571.64. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$17,130 with accumulated amortization of \$6,229 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$2,266.

On 07/01/2021, the County entered into a 34 month lease as Lessee for the use of Vehicle - 22ZLL3. An initial lease liability was recorded in the amount of \$14,940. As of 06/30/2022, the value of the lease liability is \$9,701. The County is required to make monthly fixed payments of \$485.09. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$14,940 with accumulated amortization of \$5,273 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$2,366.

On 07/01/2021, the County entered into a 37 month lease as Lessee for the use of Vehicle - 22ZLSH. An initial lease liability was recorded in the amount of \$13,206. As of 06/30/2022, the value of the lease liability is \$8,954. The County is required to make monthly fixed payments of \$399.32. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$13,206 with accumulated amortization of \$4,283 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$1,835.

On 07/01/2021, the County entered into a 33 month lease as Lessee for the use of Vehicle - 2323QP. An initial lease liability was recorded in the amount of \$8,950. As of 06/30/2022, the value of the lease liability is \$5,716. The County is required to make monthly fixed payments of \$319.23. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$8,950 with accumulated amortization of \$3,255 is included with Vehicles on the Right to Use Leased Asset Schedule.. The lease has a guaranteed residual value payment of \$1,390.

On 07/01/2021, the County entered into a 33 month lease as Lessee for the use of Vehicle - 234GR8. An initial lease liability was recorded in the amount of \$15,912. As of 06/30/2022, the value of the lease liability is \$10,162. The County is required to make monthly fixed payments of \$528.19. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$15,912 with accumulated amortization of \$5,786 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$2,590.

On 07/01/2021, County entered into a 38 month lease as Lessee for the use of Vehicle - 237ZQD. An initial lease liability was recorded in the amount of \$30,058. As of 06/30/2022, the value of the lease liability is \$20,635. The County is required to make monthly fixed payments of \$875.94. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$30,058 with accumulated amortization of \$9,492 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$4,430.

On 07/01/2021, the County entered into a 57 month lease as Lessee for the use of Vehicle - 23WDXS. An initial lease liability was recorded in the amount of \$25,249. As of 06/30/2022, the value of the lease liability is \$20,030. The County is required to make monthly fixed payments of \$502.66. The lease has an interest rate of 1.1771%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$25,249 with accumulated amortization of \$5,316 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$2,555.

On 07/06/2021, the County entered into a 60 month lease as Lessee for the use of Vehicle - 23XWXP. An initial lease liability was recorded in the amount of \$36,578. As of 06/30/2022, the value of the lease liability is \$29,593. The County is required to make monthly fixed payments of \$618.06. The lease has an interest rate of 1.1139%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$36,578 with accumulated amortization of \$7,276 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$3,514.

On 07/01/2021, County entered into a 42 month lease as Lessee for the use of Copier - Sharp Systems. An initial lease liability was recorded in the amount of \$15,213. As of 06/30/2022, the value of the lease liability is \$10,913. The County is required to make monthly fixed payments of \$368.53. The lease has an interest rate of 1.0112%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$15,213 with accumulated amortization of \$4,340 is included with Equipment on the Right to Use Leased Asset Schedule.

On 07/01/2021, the County entered into a 42 month lease as Lessee for the use of Sharp Copiers - 217 East Willow Street. An initial lease liability was recorded in the amount of \$130,639. As of 06/30/2022, the value of the lease liability is \$93,710. The County is required to make monthly fixed payments of \$3,165. The lease has an interest rate of 1.0112%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$130,639 with accumulated amortization of \$37,266 is included with Equipment on the Right to Use Leased Asset Schedule.

On 07/01/2021, the County entered into a 42 month lease as Lessee for the use of Sharp Printer - Sheriff's Office. An initial lease liability was recorded in the amount of \$16,100. As of 06/30/2022, the value of the lease liability is \$11,549. The County is required to make monthly fixed payments of \$390.00. The lease has an interest rate of 1.0112%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$16,100 with accumulated amortization of \$4,593 is included with Equipment on the Right to Use Leased Asset Schedule.

On 07/01/2021, the County entered into a 42 month lease as Lessee for the use of Sharp Copiers - IT 02042020. An initial lease liability was recorded in the amount of \$30,494. As of 06/30/2022, the value of the lease liability is \$21,877. The County is required to make monthly fixed payments of \$738.81. The lease has an interest rate of 1.0112%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$30,494 with accumulated amortization of \$8,657 is included with Equipment on the Right to Use Leased Asset Schedule.

Enterprise Funds

On 07/01/2021, the County entered into a 34 month lease as Lessee for the use of Vehicle - 22ZLKP. An initial lease liability was recorded in the amount of \$17,285. As of 06/30/2022, the value of the lease liability is \$11,223. The County is required to make monthly fixed payments of \$554.85. The lease has an interest rate of 0.8453%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$17,285 with accumulated amortization of \$6,100 is included with Vehicles on the Right to Use Leased Asset Schedule. The lease has a guaranteed residual value payment of \$2,761.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 are:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 101,484	\$ 2,069	\$ 6,100	\$ 71
2024	97,721	1,082	5,123	20
2025	42,516	299	-	-
2026	11,440	73	-	-
2027	618	1	-	-
Total	\$ 253,779	\$ 3,524	\$ 11,223	\$ 91

Installment Purchase Agreements

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.

\$ 9,300,000

\$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.

935,717

\$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.

1,482,505

Installment Purchase Agreements (continued)**Serviced by General Fund (continued):**

\$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.

918,090

\$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.

3,362,109

Total serviced by General Fund

\$ 15,998,421

The future payments as of June 30, 2021 are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 3,290,075	\$ 450,212
2024	2,998,968	357,092
2025	2,390,569	286,711
2026	1,781,100	222,786
2027	1,781,100	170,586
2028-2032	2,705,500	382,736
2033-2037	1,051,109	178,351
2038-2042	-	-
Total	<u>\$ 15,998,421</u>	<u>\$ 2,048,474</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.

\$ 3,250,220

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2023	\$ 203,139	\$ -
2024	203,139	-
2025	203,139	-
2026	203,139	-
2027	203,139	-
2028-2032	1,015,693	-
2033-2037	1,015,693	-
2038-2042	203,139	-
Total	<u>\$ 3,250,220</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, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Direct Placement Installment purchase obligations	\$ 19,261,193	\$ 353,884	\$ 3,262,772	\$ 16,352,305	\$ 3,290,075
Lease Liability	-	354,469	100,690	253,779	101,484
Net pension liability (LGERS)	5,560,617	-	3,341,775	2,218,842	-
Total pension liability (LEOSSA)	926,837	29,841	-	956,678	-
Compensated absences	891,291	74,532	-	965,823	241,456
Total OPEB Liability	8,941,261	-	36,628	8,904,633	-
Total governmental activities	\$ 35,581,199	\$ 812,726	\$ 6,705,237	\$ 29,652,060	\$ 3,633,015
Business-Type Activities:					
Water and Sewer Fund:					
Compensated Absences	\$ 7,580	\$ -	\$ 5,995	\$ 1,585	\$ 396
Direct Borrowing Installment purchase obligations	3,453,359	-	203,139	3,250,220	203,139
Lease Liability	-	17,285	6,061	11,224	6,100
Net pension liability (LGERS)	36,364	-	28,058	8,306	-
Total OPEB Liability	28,120	-	116	28,004	-
Total Water and Sewer	3,525,423	17,285	243,369	3,299,339	209,635
Landfill Fund					
Compensated Absences	14,374	-	1,986	12,388	3,097
Net pension liability (LGERS)	71,544	-	36,791	34,753	-
Total OPEB Liability	137,877	-	565	137,312	-
Total Landfill	223,795	-	39,342	184,453	3,097
Total business type activities	\$ 3,749,218	\$ 17,285	\$ 282,711	\$ 3,483,792	\$ 212,732

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, 2022, the County had a legal debt margin of \$240,929,727.

C. **Interfund Balances and Activity**

Balances due to/from other funds at June 30, 2022, consist of the following:

Due to the General Fund from the Coronavirus Relief Fund to cover deficit cash balances.	\$ 156,586
Due to the General Fund from the Landfill Fund to cover deficit cash balances.	51,204
Total	<u>\$ 207,790</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, 2022 consist of the following:

Transfer from the General Fund to the Vehicle Replacement fund to provide resources for capital purchases.	\$ 330,000
Transfer from the General Fund to the Landfill to provide funds for salaries.	4,599
Transfer from the General Fund to the Emergency Fund to reimburse for nonallowable PSAP costs.	5,304
Total Transfers	<u>\$ 339,903</u>

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, 2022. 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, 2022. 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, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$470,000 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 \$12,923 to the Council during the fiscal year ended June 30, 2022.

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, 2022, 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 24, 2022, the date these financial statements were available to be issued.

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 Nine Fiscal Years*

Local Government Employees' Retirement System					
	2022	2021	2020	2019	2018
County's proportionate share of the net pension liability (%)	0.147%	0.159%	0.159%	0.157%	0.167%
County's proportionate share of the net pension liability (\$)	\$ 2,261,901	\$ 5,668,526	\$ 4,353,636	\$ 3,722,916	\$ 2,552,367
County's covered payroll	\$10,775,241	\$ 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	20.99%	53.83%	42.43%	37.43%	24.63%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	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 Nine Fiscal Years

Local Government Employees' Retirement System					
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,383,371	\$ 1,112,169	\$ 961,127	\$ 813,578	\$ 763,874
Contributions in relation to the contractually required contribution	1,383,371	1,112,169	961,127	813,578	763,874
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$12,000,029	\$ 10,775,241	\$ 10,530,790	\$ 10,259,834	\$ 9,945,667
Contributions as a percentage of covered payroll	11.53%	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>	
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 Nine Fiscal Years*

Local Government Employees' Retirement System					
	2022	2021	2020	2019	2018
County's proportionate share of the net pension (asset) liability (%)	0.270%	0.296%	0.275%	0.300%	0.311%
County's proportionate share of the net pension (asset) liability (\$)	\$ (51,810)	\$ (67,803)	\$ (54,208)	\$ (49,704)	\$ (53,165)
Plan fiduciary net position as a percentage of the total pension liability	156.53%	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 Nine Fiscal Years*

Local Government Employees' Retirement System					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's required contribution	\$ 3,432	\$ 3,236	\$ 2,833	\$ 3,907	\$ 3,688
Contributions in relation to contractually required contribution	3,432	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>	<u><u>\$ -</u></u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
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 Last Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 926,837	\$ 518,228	\$ 593,073
Service cost	47,736	46,233	43,337
Interest on the total pension liability	17,649	16,394	20,927
Difference between expected and actual experience	-	142,076	(121,603)
Changes of assumptions and other inputs	(10,732)	234,618	18,789
Benefit payments	<u>(24,812)</u>	<u>(30,712)</u>	<u>(36,295)</u>
Ending balance of total pension liability	<u><u>\$ 956,678</u></u>	<u><u>\$ 926,837</u></u>	<u><u>\$ 518,228</u></u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 639,467	\$ 626,059	\$ 650,285
Service cost	46,280	37,247	39,805
Interest on the total pension liability	19,321	23,136	21,954
Difference between expected and actual experience	(31,165)	(34,456)	-
Changes of assumptions and other inputs	(24,713)	40,868	(15,339)
Benefit payments	<u>(56,117)</u>	<u>(53,387)</u>	<u>(70,646)</u>
Ending balance of total pension liability	<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 Last Six Fiscal Years

	2022	2021	2020
Total pension liability	\$ 956,678	\$ 926,837	\$ 518,228
Covered payroll	1,793,533	1,793,533	1,715,483
Total pension liability as a percentage of covered payroll	53.34%	51.68%	30.21%
	2019	2018	2017
Total pension liability	\$ 593,073	\$ 639,467	\$ 626,059
Covered payroll	1,680,167	1,652,332	1,586,114
Total pension liability as a percentage of covered payroll	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 Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 356,320	\$ 348,616	\$ 321,657	\$ 229,054	\$ 246,436
Interest	194,287	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	44,103	1,035,963	269,681	113,197	(265,374)
Benefit payments	<u>(632,018)</u>	<u>(566,039)</u>	<u>(746,657)</u>	<u>(537,238)</u>	<u>(201,691)</u>
Net change in total OPEB liability	<u>(37,308)</u>	<u>1,281,072</u>	<u>369,459</u>	<u>1,810,258</u>	<u>(224,601)</u>
Total OPEB liability - beginning	<u>9,107,257</u>	<u>7,826,185</u>	<u>7,456,726</u>	<u>5,646,468</u>	<u>5,871,069</u>
Total OPEB liability - ending	<u><u>\$ 9,069,949</u></u>	<u><u>\$ 9,107,257</u></u>	<u><u>\$ 7,826,185</u></u>	<u><u>\$ 7,456,726</u></u>	<u><u>\$ 5,646,468</u></u>
Covered payroll	\$ 9,976,834	\$ 9,976,834	\$ 10,564,860	\$ 10,564,860	\$ 8,448,108
Total OPEB liability as a percentage of covered payroll	90.91%	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:

<u>Fiscal Year</u>	<u>Rate</u>
2022	2.16%
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.

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 20,364,000	\$ 20,793,040	\$ 429,040
Penalties and interest	190,000	188,674	(1,326)
Total	20,554,000	20,981,714	427,714
Local option sales tax:			
Article 39 and 44	3,598,216	4,587,324	989,108
Article 40 one - half of one percent	2,620,000	3,218,606	598,606
Article 42 one - half of one percent	1,400,000	1,855,698	455,698
Medicaid hold harmless payment	680,000	1,450,108	770,108
Total	8,298,216	11,111,736	2,813,520
Other taxes & licenses:			
Unfortified wine tax	136,400	123,805	(12,595)
Unrestricted intergovernmental:			
State aid to counties	79,113	79,113	-
Rural general public	76,515	76,515	-
Senior citizens exemptions	64,015	64,015	-
Total	219,643	219,643	-
Restricted intergovernmental:			
Federal and State grants	5,599,139	5,251,840	(347,299)
Court facilities fees	45,000	53,164	8,164
Total	5,644,139	5,305,004	(339,135)
Permits and fees:			
Building permits and inspection fees	125,000	145,251	20,251
Fire inspection fees	25,000	17,760	(7,240)
Register of Deeds	235,000	347,323	112,323
Other permits and fees	12,500	11,929	(571)
Total	397,500	522,263	124,763
Sales and services:			
Rents, concessions, and fees	166,100	200,079	33,979
Ambulance fees	1,325,000	1,575,238	250,238
Jail fees	105,000	107,514	2,514
Sheriff's fees	74,500	72,049	(2,451)
Court costs and officer's fees	20,000	24,290	4,290
Liaison officer program	150,000	188,046	38,046
Environmental health fees	125,000	161,387	36,387
Recreation fees	69,100	76,581	7,481
Other fees	359,084	589,244	230,160
Total	2,393,784	2,994,428	600,644

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Investment earnings	1,500	18,865	17,365
Miscellaneous:			
Cablevision fees	70,000	66,540	(3,460)
Miscellaneous	206,287	209,467	3,180
Total	276,287	276,007	(280)
Total revenues	37,921,469	41,553,465	3,631,996
Expenditures:			
General Government:			
Governing Body:			
Salaries and benefits		12,239	
Operating expenses		51,137	
Total	80,885	63,376	17,509
Administration:			
Salaries and benefits		483,703	
Operating expenses		28,276	
Capital outlay		22,453	
Total	523,754	534,432	(10,678)
Elections:			
Salaries and benefits		139,657	
Operating expenses		54,320	
Capital outlay		1,319	
Total	212,389	195,296	17,093
Finance:			
Salaries and benefits		216,255	
Operating expenses		18,681	
Capital outlay		12,819	
Total	242,022	247,755	(5,733)
Information Services:			
Salaries and benefits		423,293	
Operating expenses		6,429	
Total	431,974	429,722	2,252
Tax Assessor:			
Salaries and benefits		360,744	
Operating expenses		148,333	
Capital outlay		5,119	
Total	538,959	514,196	24,763

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revaluation:			
Salaries and benefits		288,407	
Operating expenses		9,828	
Capital Outlay		5,119	
Total	303,125	303,354	(229)
Tax Department	842,084	817,550	24,534
License Plate Agency:			
Salaries and benefits		87,442	
Operating expenses		722	
Total	92,802	88,164	4,638
Register of Deeds:			
Salaries and benefits		234,459	
Operating expenses		55,431	
Capital Outlay		10,513	
Total	292,334	300,403	(8,069)
Public Buildings:			
Salaries and benefits		304,178	
Operating expenses		237,350	
Capital outlay		31,406	
Total	559,449	572,934	(13,485)
Hospital:			
Salaries and benefits		54,134	
Operating expenses		111,356	
Total	192,265	165,490	26,775
Court Facilities:			
Salaries and benefits		40,546	
Total	45,000	40,546	4,454
Other Non-Departmental			
Professional services		1,231,660	
Other Nondepartmental		92,764	
Capital Outlay		753,862	
Total	2,433,270	2,078,286	354,984
Total General Government	5,948,228	5,533,954	414,274

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Public Safety:			
Sheriff:			
Salaries and benefits		572,439	
Operating expenses		628,556	
Capital outlay		45,606	
Total	3,762,200	1,246,601	2,515,599
Communications			
Salaries and benefits		139,344	
Operating expenses		48,530	
Total	742,976	187,874	555,102
Jail:			
Salaries and benefits		266,549	
Operating expenses		728,616	
Total	2,066,650	995,165	1,071,485
Liaison Officer:			
Salaries and benefits		38,628	
Separation allowance		27,525	
Total	246,197	66,153	180,044
Total Sheriff	6,818,023	2,495,793	4,322,230
Emergency Medical Services:			
Salaries and benefits		1,023,276	
Operating expenses		578,198	
Capital outlay		143,990	
Total	4,211,909	1,745,464	2,466,445
Fire Marshal:			
Salaries and benefits		119,873	
Operating expenses		23,745	
Capital outlay		30,058	
Total	161,465	173,676	(12,211)
Total Emergency Services	4,373,374	1,919,140	2,454,234
Animal Shelter			
Salaries and benefits		198,251	
Operating expenses		90,439	
Total	297,986	288,690	9,296

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Medical Examiner:			
Contracted Services	48,000	47,900	100
Building Inspections:			
Salaries and benefits		375,794	
Operating expenses		27,993	
Capital outlay		4,297	
Total	412,476	408,084	4,392
Total Public Safety	11,949,859	5,159,607	6,790,252
Economic and Physical Development:			
Cooperative Extension Service:			
Operating expenses		202,926	
Capital outlay		10,708	
Total	242,550	213,634	28,916
Soil and Water Conservation:			
Salaries and benefits		207,502	
Operating expenses		97,245	
Total	317,377	304,747	12,630
Economic Development:			
Operating expenses	76,500	76,500	-
Economic Development Projects:			
Total	25,000	25,000	-
Total Economic and Physical Development	661,427	619,881	41,546
Human Services:			
Health:			
Administration:			
Salaries and benefits		325,444	
Operating expenses		125,117	
Capital outlay		29,875	
Total	494,508	480,436	14,072

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Nursing and Medical:			
Salaries and benefits		93,945	
Operating expenses		22,580	
Total	126,047	116,525	9,522
Medicaid Case Manager			
Salaries and benefits		60,008	
Operating expenses		15,471	
Total	78,685	75,479	3,206
Preparedness:			
Salaries and benefits		11,200	
Operating expenses		10,240	
Total	30,983	21,440	9,543
Tuberculosis:			
Operating expenses	1,692	571	1,121
Immunization			
Operating expenses		1,030	
Total	3,000	1,030	1,970
Health - Viral Hepatitis			
Salaries and benefits		8,996	
Operating expenses		1,739	
Total	36,080	10,735	25,345
Environmental Health:			
Salaries and benefits		204,947	
Operating expenses		27,115	
Capital outlay		1,850	
Total	238,317	233,912	4,405
Child Health:			
Salaries and benefits		108,905	
Operating expenses		29,011	
Total	160,606	137,916	22,690

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Maternal Health:			
Salaries and benefits		47,524	
Operating expenses		22,414	
Total	81,026	69,938	11,088
Family Planning:			
Salaries and benefits		70,619	
Operating expenses		18,297	
Total	112,141	88,916	23,225
Women, Infants, and Children:			
Salaries and benefits		213,004	
Operating expenses		5,508	
Total	225,695	218,512	7,183
Health Education			
Salaries and benefits		47,953	
Operating expenses		11,937	
Capital outlay		1,844	
Total	66,354	61,734	4,620
Total Health	1,655,134	1,517,144	137,990
Social Services:			
Administration:			
Salaries and benefits		3,731,694	
Operating expenses		211,004	
Capital outlay		59,859	
Total	4,200,084	4,002,557	197,527
Assistance Programs:			
Operating Expenses	1,893,153	1,594,768	298,385
County Portion - Aid			
Operating expenses	330,269	278,724	51,545
Total social services	6,423,506	5,876,049	547,457
Other Human Services:			
Operating expenses	1,444,508	1,389,121	55,387

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Veterans Services:			
Salaries and benefits		58,598	
Operating expenses		1,628	
Total	61,147	60,226	921
Juvenile Crime Prevention Council:			
Salaries and benefits		28,413	
Operating expenses		311,397	
Total	357,741	339,810	17,931
Mental Health:			
Contribution to Partners Behavioral Health	118,000	118,000	-
Total other human services	1,981,396	1,907,157	74,239
Total Human Services	10,060,036	9,300,350	759,686
Cultural and Recreation:			
Recreational:			
Salaries and benefits		519,218	
Operating expenses		169,114	
Capital outlay		32,070	
Total	706,016	720,402	(14,386)
Total Cultural and Recreational	706,016	720,402	(14,386)
Education:			
Public Schools:			
Current expense		7,326,228	
Capital outlay		1,711,614	
Total	9,037,842	9,037,842	-
Community College:			
Current expense	431,000	419,660	11,340
Total Education	9,468,842	9,457,502	11,340
Debt service:			
Principal	3,262,780	3,262,772	8
Interest	511,740	466,177	45,563
Total debt service	3,774,520	3,728,949	45,571
Total expenditures	42,568,928	34,520,645	8,048,283

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenue over (under) expenditures	(4,647,459)	7,032,820	11,680,279
Other financing sources (uses):			
Lease Liabilities Issued	-	354,469	354,469
Transfers to other funds:			
Emergency Telephone System Fund	(5,304)	(5,304)	-
Capital Projects Fund	(330,000)	(330,000)	-
Enterprise Fund	(4,599)	(4,599)	-
Total other financing sources (uses)	(339,903)	14,566	354,469
Revenues and other financing sources over (under) expenditures and other financing uses	(4,987,362)	7,047,386	12,034,748
Fund balance appropriated	4,987,362	-	(4,987,362)
Net change in fund balance	\$ -	7,047,386	\$ 7,047,386
Fund balance, beginning		18,163,430	
Fund balance, ending		\$ 25,210,816	

OTHER MAJOR GOVERNMENTAL FUNDS

Special Revenue Fund -

American Rescue Plan 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
Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Funds)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2022

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

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, 2022

	Project Authorization	Actual				Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Projects	Total To Date	
Revenues:						
Memorial Park Grant						
RTP Grant	\$ -	\$ 89,590	\$ -	\$ (89,590)	\$ -	\$ -
PartF Grant	-	250,000	-	(250,000)	-	-
Watershed Restoration Grant	540,221	-	461,704	-	461,704	(78,517)
SCIF Grant	-	-	-	-	-	-
Investment earnings - other	-	184	-	-	184	184
Total revenues	<u>540,221</u>	<u>339,774</u>	<u>461,704</u>	<u>(339,590)</u>	<u>461,888</u>	<u>(78,333)</u>
Expenditures:						
5d Phase 2						
Professional services	-	75,730	-	(75,730)	-	-
Construction	-	1,020,547	-	(1,020,547)	-	-
Equipment	-	3,200	-	(3,200)	-	-
Contingency	-	-	-	-	-	-
Sheriff Department						
Professional services	246,000	87,474	12,994	-	100,468	145,532
Construction	4,176,000	3,790,739	303,661	-	4,094,400	81,600
Furniture and equipment	100,000	61,646	38,051	-	99,697	303
Contingency	100,000	-	-	-	-	100,000
Watershed Project						
Professional services	517,280	332,720	452,246	-	784,966	(267,686)
Technical assistance	30,000	-	7,200	-	7,200	22,800
Total expenditures	<u>5,169,280</u>	<u>5,372,056</u>	<u>814,152</u>	<u>(1,099,477)</u>	<u>5,086,731</u>	<u>82,549</u>
Revenues over (under) expenditures	(4,629,059)	(5,032,282)	(352,448)	759,887	(4,624,843)	4,216
Other Financing Sources (Uses):						
From General Fund:						-
Memorial Park	-	245,345	-	(245,345)	-	-
5-D Watershed Phase 2	-	889,720	-	(889,720)	-	-
To General Fund						-
Yadkin County Agricultural and Education Bldg	-	(280,139)	-	280,139	-	-
Installment Purchase Obligations Issued:						-
Sheriff Admin Building	4,622,000	3,939,859	353,884	-	4,293,743	(328,257)
Appropriated Fund Balance	7,059	-	-	-	-	(7,059)
Total Other Financing Sources (Uses)	<u>4,629,059</u>	<u>4,794,785</u>	<u>353,884</u>	<u>(854,926)</u>	<u>4,293,743</u>	<u>(335,316)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (237,497)</u>	1,436	<u>\$ (95,039)</u>	<u>\$ (331,100)</u>	<u>\$ (331,100)</u>
Fund balance, beginning			2,759,199			
Fund balance, ending			<u>\$ 2,760,635</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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total
Assets:			
Cash and cash equivalents	\$ 852,007	\$ 363,364	\$ 1,215,371
Restricted cash	139,091	-	139,091
Taxes receivable, net	42,267	-	42,267
Accounts receivable, net	29,459	-	29,459
Total assets	<u>\$ 1,062,824</u>	<u>\$ 363,364</u>	<u>\$ 1,426,188</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 56,311	\$ -	\$ 56,311
Due to other funds	156,586	-	156,586
Unearned revenues	139,091	-	139,091
Total liabilities	<u>351,988</u>	<u>-</u>	<u>351,988</u>
Deferred Inflows of Resources			
Taxes receivables	<u>42,267</u>	<u>-</u>	<u>42,267</u>
Fund Balances:			
Restricted for human services	30,284		30,284
Restricted for public safety	764,305	-	764,305
Committed	-	363,364	363,364
Unassigned	(157,177)	-	(157,177)
Total fund balances	<u>668,569</u>	<u>363,364</u>	<u>1,031,933</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,062,824</u>	<u>\$ 363,364</u>	<u>\$ 1,426,188</u>

Yadkin County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total
Revenues:			
Ad valorem taxes	\$ 2,251,750	\$ -	\$ 2,251,750
Sales tax	231,945	-	231,945
Other taxes and license	40,244	-	40,244
Restricted intergovernmental	740,151	-	740,151
Permits and fees	20,674	-	20,674
Sales and services	204,485	-	204,485
Interest earned	19,907	-	19,907
Miscellaneous revenues	-	13,056	13,056
Total revenues	<u>3,509,156</u>	<u>13,056</u>	<u>3,522,212</u>
Expenditures:			
General government	402,063	95,763	497,826
Public safety	2,661,816	-	2,661,816
Human services	341,485	-	341,485
Economic and physical development	40,244	-	40,244
Total expenditures	<u>3,445,608</u>	<u>95,763</u>	<u>3,541,371</u>
Revenues over (under) expenditures	63,548	(82,707)	(19,159)
Other financing sources (uses):			
Transfers from other funds:			
General Fund	<u>5,304</u>	<u>330,000</u>	<u>335,304</u>
Net change in fund balances	68,852	247,293	316,145
Fund Balances:			
Fund balance, beginning	<u>599,717</u>	<u>116,071</u>	<u>715,788</u>
Fund balance, ending	<u>\$ 668,569</u>	<u>\$ 363,364</u>	<u>\$ 1,031,933</u>

Yadkin County
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022

	Emergency Telephone System Fund	Law Enforcement Fund	Fire Districts Fund	Occupancy Tax Revenue Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Coronavirus Relief Fund	Opioid Settlement Fund	Total
Assets:										
Cash and cash equivalents	\$ 328,474	\$ 221,314	\$ 269,549	\$ -	\$ 1,698	\$ 7	\$ 30,965	\$ -	\$ -	\$ 852,007
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	139,091	139,091
Taxes receivable, net	-	-	42,267	-	-	-	-	-	-	42,267
Accounts receivable, net	14,165	-	-	-	-	15,294	-	-	-	29,459
Total assets	\$ 342,639	\$ 221,314	\$ 311,816	\$ -	\$ 1,698	\$ 15,301	\$ 30,965	\$ -	\$ 139,091	\$ 1,062,824
Liabilities, Deferred Inflows of Resources, and Fund Balances:										
Liabilities:										
Accounts payable and accrued liabilities	\$ 5,443	\$ 34,281	\$ 14	\$ -	\$ -	\$ 15,301	\$ 681	\$ 591	\$ -	\$ 56,311
Due to other funds	-	-	-	-	-	-	-	156,586	-	156,586
Unearned revenues	-	-	-	-	-	-	-	-	139,091	139,091
Total liabilities	5,443	34,281	14	-	-	15,301	681	157,177	139,091	351,988
Deferred Inflows of Resources										
Taxes receivable	-	-	42,267	-	-	-	-	-	-	42,267
Fund Balances:										
Restricted for Stabilization by State Statute	14,165	-	-	-	-	15,294	-	-	-	29,459
Restricted for human services	-	-	-	-	-	-	30,284	-	-	30,284
Restricted for public safety	323,031	187,033	269,535	-	-	(15,294)	-	-	-	764,305
Unassigned	-	-	-	-	-	-	-	(157,177)	-	(157,177)
Total fund balances	337,196	187,033	269,535	-	1,698	-	30,284	(157,177)	-	668,569
Total liabilities, deferred inflows of resources, and fund balance	\$ 342,639	\$ 221,314	\$ 311,816	\$ -	\$ 1,698	\$ 15,301	\$ 30,965	\$ -	\$ 139,091	\$ 1,062,824

Yadkin County
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2022

	Emergency Telephone System Fund	Law Enforcement Fund	Fire Districts Fund	Occupancy Tax Revenue Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Coronavirus Relief Fund	Opioid Settlement Fund	Total
Revenues:										
Ad valorem taxes	\$ -	\$ -	\$ 2,251,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,251,750
Sales tax	-	-	231,945	-	-	-	-	-	-	231,945
Other taxes and license	-	-	-	40,244	-	-	-	-	-	40,244
Restricted intergovernmental	169,976	13,913	-	-	-	-	196,670	359,592	-	740,151
Permits and fees	-	-	-	-	20,674	-	-	-	-	20,674
Sales and services	-	-	-	-	-	204,485	-	-	-	204,485
Interest earned	-	-	19,907	-	-	-	-	-	-	19,907
Total revenues	<u>169,976</u>	<u>13,913</u>	<u>2,503,602</u>	<u>40,244</u>	<u>20,674</u>	<u>204,485</u>	<u>196,670</u>	<u>359,592</u>	<u>-</u>	<u>3,509,156</u>
Expenditures:										
General Government	-	-	-	-	18,976	204,485	-	178,602	-	402,063
Public safety	169,540	37,985	2,447,578	-	-	-	-	6,713	-	2,661,816
Human services	-	-	-	-	-	-	210,481	131,004	-	341,485
Economic and physical development	-	-	-	40,244	-	-	-	-	-	40,244
Total expenditures	<u>169,540</u>	<u>37,985</u>	<u>2,447,578</u>	<u>40,244</u>	<u>18,976</u>	<u>204,485</u>	<u>210,481</u>	<u>316,319</u>	<u>-</u>	<u>3,445,608</u>
Revenues over (under) expenditures	436	(24,072)	56,024	-	1,698	-	(13,811)	43,273	-	63,548
Other Financing Sources(Uses):										
Transfer from General Fund	<u>5,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,304</u>
Total Other Financing Sources (Uses)	<u>5,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,304</u>
Net change in fund balances	5,740	(24,072)	56,024	-	1,698	-	(13,811)	43,273	-	68,852
Fund Balances:										
Fund balance, beginning	<u>331,456</u>	<u>211,105</u>	<u>213,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,095</u>	<u>(200,450)</u>	<u>-</u>	<u>599,717</u>
Fund balance, ending	<u>\$ 337,196</u>	<u>\$ 187,033</u>	<u>\$ 269,535</u>	<u>\$ -</u>	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ 30,284</u>	<u>\$ (157,177)</u>	<u>\$ -</u>	<u>\$ 668,569</u>

Yadkin County
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 169,976	\$ 169,976	\$ -
Expenditures:			
Public safety:			
Telephone	47,000	32,489	(14,511)
Contracted services	128,000	127,970	(30)
Operating expenses	5,976	3,120	(2,856)
Capital, other eligible expenses	10,000	5,961	(4,039)
Total expenditures	190,976	169,540	(21,436)
Revenues over (under) expenditures	(21,000)	436	21,436
Other Financing Sources (Uses):			
Transfer from General Fund	-	5,304	5,304
Appropriated fund balance	21,000	-	(21,000)
Total Other Financing Sources (Uses)	21,000	5,304	(15,696)
Net change in fund balance	\$ -	5,740	\$ 5,740
Fund balance, beginning		331,456	
Fund balance, ending		\$ 337,196	
PSAP RECONCILIATION			
June 30, 2022			
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			\$ 337,196
Cumulative prior period revenues and expenditures not reported in the fund (difference in beginning fund balance - budget to actual vs. PSAP report)			-
Ending Balance, PSAP Revenue-Expenditure Report			\$ 337,196

Yadkin County
Law Enforcement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Federal			
DOJ Funds	\$ 1,000	\$ -	\$ (1,000)
Treasury Funds	1,000	-	(1,000)
State			
Controlled Substance	8,000	13,913	5,913
Total revenue	<u>10,000</u>	<u>13,913</u>	<u>3,913</u>
Expenditures:			
Public safety:			
Federal			
DOJ Funds	55,069	37,985	17,084
Treasury Funds	44,677	-	44,677
State			
Law Enforcement Expenses	8,000	-	8,000
Total expenditures	<u>107,746</u>	<u>37,985</u>	<u>69,761</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>97,746</u>	<u>-</u>	<u>(97,746)</u>
Net change in fund balance	<u>\$ -</u>	<u>(24,072)</u>	<u>\$ (24,072)</u>
Fund Balance:			
Beginning of year - July 1		<u>211,105</u>	
End of year - June 30		<u>\$ 187,033</u>	

Yadkin County
Fire Districts Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 2,225,000	\$ 2,251,750	\$ 26,750
Sales tax	-	231,945	231,945
Interest income	-	19,907	19,907
Total revenues	<u>2,225,000</u>	<u>2,503,602</u>	<u>278,602</u>
Expenditures:			
Public safety:			
Fire tax distributed to fire districts	2,452,210	2,447,578	4,632
Sales tax contributed to fire districts	-	-	-
Total expenses	<u>2,452,210</u>	<u>2,447,578</u>	<u>4,632</u>
Other Financing Sources(Uses):			
Transfer from General Fund	176,000	-	(176,000)
Fund Balance Appropriated	51,210	-	(51,210)
Total Other Financing Sources (Uses)	<u>227,210</u>	<u>-</u>	<u>(227,210)</u>
Net change in fund balance	<u>\$ -</u>	56,024	<u>\$ 56,024</u>
Fund Balance:			
Beginning of year - July 1		<u>213,511</u>	
End of year - June 30		<u>\$ 269,535</u>	

Yadkin County
Occupancy Tax Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Occupancy tax revenue	\$ 35,500	\$ 40,244	\$ 4,744
Expenditures:			
Economic and physical development:			
Tourism related programs	35,500	40,244	(4,744)
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		\$ -	

Yadkin County
Deed of Trust Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Permits and fees			
Register of deeds	\$ 25,000	\$ 20,674	\$ (4,326)
Expenditures:			
General Government			
Payments of fees collected to the			
State of North Carolina	25,000	18,976	6,024
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	1,698	<u>\$ 1,698</u>
Fund Balance:			
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 1,698</u>	

Yadkin County
Fines and Forfeitures Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services			
Penalties, fines, and forfeitures	\$ 210,000	\$ 204,485	\$ (5,515)
Expenditures:			
General Government			
Payments of penalties, fines and forfeitures to the Board of Education	210,000	204,485	5,515
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

Yadkin County
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	<u>\$ 365,000</u>	<u>\$ 196,670</u>	<u>\$ (168,330)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>365,000</u>	<u>210,481</u>	<u>154,519</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(13,811)</u>	<u><u>\$ (13,811)</u></u>
Fund balance, beginning		<u>44,095</u>	
Fund balance, ending		<u><u>\$ 30,284</u></u>	

Yadkin County
Coronavirus Relief Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
CARES Act Funding	\$ 901,318	\$ 359,592	\$ (541,726)
Expenditures:			
General Government	402,612	178,602	224,010
Public Safety	13,975	6,713	7,262
Human Services			
Public Health Expenses	484,731	131,004	353,727
Medical Expenses	-	-	-
Payroll Expenses	-	-	-
Compliance Expenses	-	-	-
Town Reimbursements	-	-	-
Total expenses	901,318	316,319	584,999
Revenues over (under) expenditures	-	43,273	43,273
Other Financing Sources(Uses):			
Transfer from General Fund	-	-	-
Appropriated Fund Balance	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	\$ -	43,273	\$ 43,273
Fund Balance:			
Beginning of year - July 1		(200,450)	
End of year - June 30		\$ (157,177)	

Yadkin County
Opioid Settlement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental					
Opioid Settlement	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Opioid Recovery	-	-	-	-	-
Total expenditures	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

Yadkin County
Vehicle Replacement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Miscellaneous sale of surplus property	\$ -	\$ 13,056	\$ 13,056
Expenditures:			
General government:			
Equipment	437,437	95,763	341,674
Revenues over (under) expenditures	(437,437)	(82,707)	(328,618)
Other Financing Sources(Uses):			
Transfer from General Fund	330,000	330,000	-
Appropriated Fund Balance	107,437	-	(107,437)
Total other financing sources (uses)	437,437	330,000	(107,437)
Net change in fund balance	\$ -	247,293	\$ 247,293
Fund Balance:			
Beginning of year - July 1		116,071	
End of year - June 30		\$ 363,364	

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, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Solid waste fees	\$ 2,479,800	\$ 2,548,708	\$ 68,908
Recycling fees	34,515	35,641	1,126
Miscellaneous	-	12,360	12,360
Total operating revenues	<u>2,514,315</u>	<u>2,596,709</u>	<u>82,394</u>
Non-operating revenues:			
Grants	2,000	-	(2,000)
Solid waste disposal tax	29,000	30,468	1,468
Scrap tire disposal tax	52,000	60,650	8,650
White good disposal tax	16,000	20,027	4,027
Total non-operating revenues	<u>99,000</u>	<u>111,145</u>	<u>12,145</u>
Total revenues	<u>2,613,315</u>	<u>2,707,854</u>	<u>94,539</u>
Expenditures:			
Solid Waste:			
Operating expenditures:			
Personnel services	305,290	301,717	3,573
Contracted services	2,800	2,000	800
Maintenance	26,819	24,790	2,029
Other operating expenses	461,395	448,744	12,651
Disposal transfer fee	1,741,140	1,812,502	(71,362)
Total operating expenditures	<u>2,537,444</u>	<u>2,589,753</u>	<u>(52,309)</u>
Total solid waste	<u>2,537,444</u>	<u>2,589,753</u>	<u>(52,309)</u>
Recycling:			
Other operating expenses	70,470	61,726	8,744
Total recycling	<u>70,470</u>	<u>61,726</u>	<u>8,744</u>
White Goods Expense:			
Contracted Services	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>2,617,914</u>	<u>2,651,479</u>	<u>(33,565)</u>
Revenues over (under) expenditures	<u>(4,599)</u>	<u>56,375</u>	<u>60,974</u>

Yadkin County
Landfill Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Other financing sources (uses):			
Transfers (to)/from General Fund	4,599	4,599	-
Total other financing sources (uses)	4,599	4,599	-
Revenues and other financing sources (uses)			
over (under) expenditures	\$ -	60,974	\$ 60,974
Reconciliation from budgetary basis (modified accrual)			
to full accrual:			
Reconciling items:			
Capital outlay		-	
Increase in accrued vacation pay		1,986	
Depreciation		(12,854)	
Increase deferred outflows - pension		15,627	
Increase deferred outflows - OPEB		(8,050)	
Increase in net pension liability		36,791	
Decrease deferred inflows - pension		(44,859)	
Decrease deferred inflows - OPEB		959	
Increase in other post-employment benefits		565	
Change in net position		\$ 51,139	

Yadkin County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
East Bend Water Fees	\$ 175,000	\$ 140,358	\$ (34,642)
Town of Jonesville	196,740	220,548	23,808
Total Revenue	<u>371,740</u>	<u>360,906</u>	<u>(10,834)</u>
Expenditures:			
Hwy 21 Water Services			
Salaries & benefits	57,250	48,958	8,292
Maintenance	1,000	738	262
Other operating expenditures	140,680	136,228	4,452
Total water expense	<u>198,930</u>	<u>185,924</u>	<u>13,006</u>
EB Waterline Expense			
Salaries & benefits	69,385	27,869	41,516
Contracted Services	13,200	3,015	10,185
Water Expense	76,000	65,859	10,141
Other operating expenditures	12,290	28,696	(16,406)
Total EB Waterline Expense	<u>170,875</u>	<u>125,439</u>	<u>45,436</u>
Debt Service			
Principal	203,140	203,139	1
Total debt service	<u>203,140</u>	<u>203,139</u>	<u>1</u>
Total expenditures	<u>572,945</u>	<u>514,502</u>	<u>58,443</u>
Revenues over (under) expenditures	<u>(201,205)</u>	<u>(153,596)</u>	<u>47,609</u>
Other financing sources (uses):			
Lease liability issued	-	17,285	17,285
Appropriated fund balance	201,205	-	(201,205)
Total other financing sources (uses)	<u>201,205</u>	<u>17,285</u>	<u>(183,920)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(136,311)</u>	<u>\$ (136,311)</u>

Yadkin County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(395,915)	
Principal paid on debt		203,139	
Lease liability issued		(17,285)	
Right to use assets		17,285	
Lease payments		6,061	
Amortization - right to use assets		(6,100)	
Increase in compensated absences		5,995	
Increase deferred outflows - pension		(6,638)	
Increase in deferred outflows - OPEB		(1,272)	
Increase in net pension liability		28,058	
Decrease deferred inflows - pension		(19,614)	
Decrease deferred inflows - OPEB		195	
Increase in total OPEB liability		<u>116</u>	
Change in net position		<u><u>\$ (322,286)</u></u>	

Yadkin County
Group Insurance Internal Service Fund
Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2022

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services - premiums	\$ 2,823,983	\$ 3,722,528	\$ 898,545
Operating Expenditures:			
Insurance claims, premiums, and administration charges	<u>3,423,983</u>	<u>3,563,306</u>	<u>(139,323)</u>
Revenues over (under) expenditures	<u>(600,000)</u>	<u>159,222</u>	<u>759,222</u>
Other Financing Sources (Uses):			
Appropriated Fund Balance	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Revenues over (under) expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 159,222</u>	<u>\$ 159,222</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, 2022

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ 38,359	\$ 10,330	\$ 48,689
Taxes receivable for other governments, net	34,608		34,608
Total assets	<u>72,967</u>	<u>10,330</u>	<u>83,297</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	38,733	-	38,733
Total liabilities	<u>38,733</u>	<u>-</u>	<u>38,733</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	34,234	10,330	44,564
Total net position	<u>\$ 34,234</u>	<u>\$ 10,330</u>	<u>\$ 44,564</u>

Yadkin County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2022

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 908,383	\$ -	\$ 908,383
Collections on behalf of inmates	-	149,752	149,752
Total additions	<u>908,383</u>	<u>149,752</u>	<u>1,058,135</u>
DEDUCTIONS			
Tax distributions to other governments	908,785	-	908,785
Payments on behalf of inmates	-	158,077	158,077
Total deductions	<u>908,785</u>	<u>158,077</u>	<u>1,066,862</u>
Net increase (decrease) in fiduciary net position	(402)	(8,325)	(8,727)
Net position, beginning	<u>34,636</u>	<u>18,655</u>	<u>53,291</u>
Net position, ending	<u><u>\$ 34,234</u></u>	<u><u>\$ 10,330</u></u>	<u><u>\$ 44,564</u></u>

OTHER SCHEDULES

This section includes additional information on property taxes.

**Yadkin County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2022**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2021</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$ -	\$ 21,272,180	\$ 20,883,844	\$ 388,336
2020-2021	347,189	-	155,842	191,347
2019-2020	236,320	-	92,222	144,098
2018-2019	165,140	-	62,551	102,589
2017-2018	124,938	-	38,032	86,906
2016-2017	88,191	-	24,328	63,863
2015-2016	58,606	-	13,978	44,628
2014-2015	43,014	-	8,625	34,389
2013-2014	65,060	-	7,463	57,597
2012-2013	73,293	-	5,486	67,807
2011-2012	58,652	-	58,652	-
	<u>\$ 1,260,403</u>	<u>\$ 21,272,180</u>	<u>\$ 21,351,023</u>	<u>1,181,560</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(794,635)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 386,925</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				<u>\$ 20,981,714</u>
Reconciling items:				
Interest and Penalty collected				(188,674)
Releases, adjustments, and fees				499,331
Taxes Written Off				<u>58,652</u>
Total reconciling items				<u>369,309</u>
Total collections and credits				<u>\$ 21,351,023</u>

Yadkin County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2022

				Total Levy	
	County - wide			Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy:					
Property taxed at current year's rate	\$ 3,218,085,878	\$ 0.66	\$ 21,245,877	\$ 18,419,558	\$ 2,826,319
Penalties	-		19,887	19,887	-
Total	<u>3,218,085,878</u>		<u>21,265,764</u>	<u>18,439,445</u>	<u>2,826,319</u>
Discoveries:					
Current year taxes	1,606,076	0.66	10,600	10,600	-
Prior year taxes	<u>17,108,168</u>	0.66	<u>112,914</u>	<u>112,914</u>	-
Total	<u>18,714,244</u>		<u>123,514</u>	<u>123,514</u>	-
Abatements:					
Current year taxes	(16,915,740)	0.66	(112,567)	(112,567)	-
Prior year taxes	<u>(686,746)</u>	0.66	<u>(4,531)</u>	<u>(4,531)</u>	-
Total	<u>(17,602,486)</u>		<u>(117,098)</u>	<u>(117,098)</u>	-
Total property valuation	<u>\$ 3,219,197,636</u>				
Net levy			21,272,180	18,445,861	2,826,319
Uncollected taxes at June 30, 2022			<u>388,336</u>	<u>388,336</u>	-
Current year's taxes collected			<u>\$ 20,883,844</u>	<u>\$ 18,057,525</u>	<u>\$ 2,826,319</u>
Current levy collection percentage			<u>98.17%</u>	<u>97.89%</u>	<u>100.00%</u>

Yadkin County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2022

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio ¹	100.00%
Real Property	\$ 2,320,410,610
Personal Property (includes late listing)	356,826,640
Motor Vehicles	426,132,461
Public Service Companies ²	114,716,167
Total Assessed Valuation	<u><u>\$ 3,218,085,878</u></u>
 Tax Rate per \$100	 <u><u>\$ 0.66</u></u>
 Levy (includes discoveries, late list penalties, releases and abatements)	 <u><u>\$ 21,272,180</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	\$ 2,019,999
---------------------------	--------------

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, 2022**

Taxpayer	Type of Business	2021 Assessed Valuation	Percentage of Total Assessed Valuation
Unifi Mfg Inc	Manufacturing	\$ 106,900,273	3.32%
Duke Energy Corp	Utility	77,466,977	2.41%
Lydall Inc	Manufacturing	66,245,168	2.06%
B&G Food Snacks Inc	Manufacturing	39,770,703	1.24%
Phillips Van Huesen Corp	Manufacturing	32,927,894	1.02%
Surry Yadkin EMC	Utility	14,978,365	0.47%
General Motors LLC	Car Dealership	9,839,046	0.31%
Salem Leasing Corp	Manufacturing	9,808,297	0.30%
Spectrum Southeast LLC	Utility	6,654,249	0.21%
Energy United EMC	Utility	6,502,844	0.20%
Total		<u><u>\$ 371,093,816</u></u>	<u><u>11.53%</u></u>

COMPLIANCE SECTION



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**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 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 Yadkin County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises Yadkin County's basic financial statements, and have issued our report thereon dated 10/24/2022. Our report includes a reference to other auditors who audited the financial statements of the Yadkin County Airport Authority, as described in our report on the Yadkin County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on 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 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.

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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 weaknesses or significant deficiencies 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 identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2022-001] that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yadkin County's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [2022-001].

Yadkin County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Yadkin County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 24, 2022



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**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

Opinion on Each Major Federal Program

We have audited Yadkin County, North Carolina, 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, 2022. Yadkin County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

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 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Example Entity and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Yadkin County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Yadkin County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yadkin County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Yadkin County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Yadkin County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Yadkin County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Yadkin County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-002, 2022-003, 2022-004, 2022-005] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Yadkin County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Yadkin County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Yadkin County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

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Whiteville, NC

October 24, 2022



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**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

Opinion on Each Major State Program

We have audited the Yadkin County, North Carolina, 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 Yadkin County's major State programs for the year ended June 30, 2022. Yadkin County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major State Program

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 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Yadkin County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Yadkin County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Yadkin County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yadkin County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Yadkin County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Yadkin County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Yadkin County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Yadkin County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-003, 2022-004, 2022-005] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Yadkin County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Yadkin County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Yadkin County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 24, 2022

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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? ___ yes X no
- Significant deficiency(s) identified X yes ___ none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified X yes ___ 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)? X yes ___ no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
21.027	Coronavirus State Local Fiscal Recovery Funds
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? X yes ___ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified X yes ___ 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 X yes ___ no

Identification of major State programs:

<u>Program Name</u>
Medical Assistance Program
Juvenile Crime Prevention Programs
Public School Building Capital Fund - Lottery Proceeds

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

Finding 2022-001

Budget Violation

NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria:	In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.
Condition:	The County adopted GASB 87, which requires that lease agreements be recorded on the fund statements. The County did not adopt budget amendments to account for recording the lease obligations as of July 1, 2021. As a result, the County reported the following overexpenditures in the General Fund: Administration \$10,678; Finance \$5,733; Register of Deeds \$8,069; Public Building \$13,485; Cultural and Recreational \$14,386. In addition, the County also reported overexpenditures in the Solid Waste fund of \$33,565.
Effect:	Moneys were spent that had not been obligated and appropriated.
Cause:	County oversight of the requirements of the new accounting standard.
Recommendation:	The finance office should review the General Statutes and GASB Statement more carefully to ensure that new pronouncements are presented correctly in the financials and appropriately budgeted.
Views of responsible officials and planned corrective actions:	The County agrees with this finding.

Section III - Federal Award Findings and Questioned Costs

US Department of Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Fund

AL # 21.027

Finding: 2022-002

Untimely Adoption of Policy

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with the U.S. Department of Treasury 31 CFR Part 35, Coronavirus State and Local Fiscal Recovery Funds Final Rule and the Uniform Guidance, General Financial Management Internal Controls, Eligible Projects Determination & Documentation Policy, Cost Principles/Allowable Costs Policy, Civil Rights Compliance / Nondiscrimination Policy, Records Retention Policy are required to be adopted as condition of receiving the funds.
Condition:	The County expended the entirety of the funds as revenue replacement before adopting the policies specific to the federal award at the September 6, 2022 board meeting.
Effect:	The County could use the funds for unallowable costs that were prohibited by the Final Rule.
Cause:	County oversight of the new federal grant requirement to have the stated policies in place.
Recommendation:	The finance office should review the grant agreement and the Uniform Guidance more carefully to ensure all compliance requirements are met.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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)

AL# 93.778

Finding: 2022-003

Inaccurate Information 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 7 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 of a total of 397,158 Medicaid claims 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, 2021-002
Cause:	Ineffective record keeping and ineffective 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 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, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

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)

AL# 93.778

Finding: 2022-004

Inaccurate Resources Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with Medicaid Manual MA-2230, 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 noncountable resources and explained within the documentation.
Condition:	There were 8 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
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 397,158 Medicaid claims 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 and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-003.
Cause:	Ineffective record keeping and ineffective 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, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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)

AL# 93.778

Finding: 2022-005

Inadequate Request for Information

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. Electronic matches are required at applications and redeterminations.
Condition:	There were 2 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 cases from of a total of 397,158 Medicaid claims 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 and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-004.
Cause:	Ineffective record keeping and ineffective 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 and 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.

Section IV - State Award Findings and Questioned Costs

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

AL# 93.778

SIGNIFICANT DEFICIENCY: Finding 2022-003, 2022-004, 2022-005 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
For the Year Ended June 30, 2022**

Section II - Financial Statement Findings

Finding: 2022-001

Name of contact person: Lindsey Cearlock, Finance Director

Corrective Action: The Finance Office will review all new accounting standards and general statutes carefully and make sure they are appropriately represented in the financials and budgeted for.

Proposed Compliance Date: Immediately.

Section III - Federal Award Findings and Questioned Costs

Finding: 2022-002

Name of contact person: Lindsey Cearlock, Finance Director

Corrective Action: For all future grants received by Yadkin County, the Finance Office will review all Grant documentation and make sure all policies are adopted accordingly.

Proposed Compliance Date: Immediately.

Finding: 2022-003

Name of contact person: Jessica Wall, DSS Director

Corrective Action: YCHSA continues to second party Medicaid cases with at least 100 cases being viewed each quarter (more than the state requirement of 76). YCHSA will provide training to staff on the review of checklists that have previously been provided. A training will be held on this checklist to ensure staff are knowledgeable to its intended use and it is being used correctly and consistently. Eligibility Supervisors will complete knowledge checks with Medicaid staff to evaluate the effectiveness of recent trainings. This will be done in a group setting and will use active applications/cases as a guide to determine if information has been entered accurately. Following the knowledge checks, Medicaid staff will be given anonymous surveys to complete in an effort to discern improvements or continued areas of need. Due to the age of the cases pulled (many of these being from 2019) the staff involved in these cases are no longer here.

Proposed Compliance 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 12/31/22 around how to properly enter information and which information should be included.

Finding: 2022-004

Name of contact person: Jessica Wall, DSS Director

*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
For the Year Ended June 30, 2022**

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

Corrective Action: YCHSA will provide training to staff on the review of checklists that have previously been provided. A training will be held on this checklist to ensure staff are knowledgeable to its intended use and it is being used correctly and consistently. Second party reviews will continue to ensure that resources are being entered correctly in NCFast. Eligibility Supervisors will complete knowledge checks with Medicaid staff to evaluate the effectiveness of recent training on resources. This will be done in a group setting and will use active applications/cases as a guide to determine if resources have been evaluated accurately. Following the knowledge checks, Medicaid staff will be given anonymous surveys to complete in an effort to discern improvements or continued areas of need. Due to the age of the cases pulled (many of these being from 2019) the staff involved in these cases are no longer here.

Proposed Compliance Date: Training will occur by 12/31/22 and second party reviews will continue indefinitely.

Finding: 2022-005

Name of contact person: Jessica Wall, DSS Director

Corrective Action: YCHSA continues to provide training on The Work Number. This is also checked during the second party review process. Additionally, 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. Staff utilize a checklist to ensure the correct application of Medicaid policy and adequate information being used to determine eligibility. A training will be held on this checklist to ensure staff are knowledgeable to its intended use and it is being used correctly and consistently. Eligibility Supervisors will complete knowledge checks with Medicaid staff to evaluate the effectiveness of recent trainings. This will be done in a group setting and will use active applications/cases as a guide to determine if information has been requested accurately. Following the knowledge checks, Medicaid staff will be given anonymous surveys to complete in an effort to discern improvements or continued areas of need. Due to the age of the cases pulled (many of these being from 2019) the staff involved in these cases are no longer here.

Proposed Compliance 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. Training will occur by 12/31/22.

Section IV - State Award Findings and Questioned Costs

Corrective actions for Finding 2022-003, 2022-004, 2022-005 also apply to State award findings.

Yadkin County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022

Finding: 2021-001

Status: Corrected

Finidng: 2021-002

Status: Repeated as finding 2022-003

Finidng: 2021-003

Status: Repeated as finding 2022-004

Finidng: 2021-004

Status: Repeated as finding 2022-005

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>FEDERAL AWARDS</u>						
<u>U.S. Department of Agriculture</u>						
Natural Resources Conservation Service						
Watershed Rehabilitation Program	10.916		\$ 459,446	\$ -	\$ -	\$ -
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 XX	214,567	-	-	-
Passed through N.C. Department of Health and Human Services						
Division of Social Services						
Administration:						
<u>SNAP Cluster</u>						
State Administrative Matching Grants						
for Supplemental Nutrition Assist. Program	10.561	175NC406S2514	172,484	-	-	172,484
FNS - ARPA	10.561		24,408			
FNS - CAA	10.561		8,965			
Total Supplemental Nutrition Assist. Program			205,857	-	-	172,484
Total U.S. Department of Agriculture			879,870	-	-	172,484
<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	47,552	-	-	-
Total U.S. Department of Justice			47,552	-	-	-
<u>U.S. Department of Treasury</u>						
Coronavirus State Local Fiscal Recovery Funds	21.027		7,316,373			
Total of U.S. Department of Treasury			7,316,373	-	-	-
<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		19,650	-	-	-
Project Grants and Cooperative Agreements for	93.116		50	-	-	-
Family Planning Services	93.217		33,862	-	-	-
Immunization Cooperation Agreements	93.268		13,164	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		80,885			
Total Immunization Cooperation Agreements			94,049	-	-	-
Epidemiology and Laboratory Capacity for Infectious	93.323		278,707	-	-	-
Diseases (ELC)						
Sexually Transmitted Diseases (STD) Prevention and	93.977		2,223		-	-
Control Grants						
Preventive Health and Health Services Block Grant	93.991		24,558		-	-
Maternal and Child Health Services Block Grant	93.994		47,935	5,647	-	-
Division of Social Services						
Temporary Assistance for Needy Families (TANF) Cluster						
TANF - Work First	93.558		254,611	-	-	94,825
Division of Public Health						
TANF - Work First	93.558	G1601NCTANF/ G1701NCTANF	4,025		-	-
Total TANF Cluster			258,636	-	-	94,825

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658	17021NCFOST	519,361	104,273	-	236,609
Adoption Assistance	93.659	1701NCADPT	11,909	-	-	11,909
Foster Care	N/A		69,835	-	-	23,853
Total Foster Care and Adoption Cluster			601,105	104,273	-	272,371
Child Support Enforcement	93.563	1704NC4005	268,866	-	-	138,507
Refugee Assistance - Admin	93.566		-	-	-	-
Family Preservation - Admin	93.556		34,556	-	-	-
Low-Income Home Energy Assistance						
Administration	93.568	G16B1NCLIEA / G17B1NCLIEA	24,518	-	-	-
Energy Assistance Payments	93.568		79,665	-	-	-
Crisis Intervention Program	93.568		66,851	-	-	-
LIEAP ARPA ADMIN	93.568		4,623	-	-	-
LIHWAP ADM	93.568		2,715	-	-	-
LIHWAP CAA	93.568		11,591	-	-	-
Total Low-Income Home Energy Assistance			189,963	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645	G1701NCCWSS	13,478	-	-	4,492
Total Stephanie Tubbs Jones Child Welfare Services Program						
Chafee Foster Care Independence Program	93.674	G1501NC1420 / G1601NC1420	8,958	1,311	-	-
SSBG - Other Service and Training	93.667		116,594	-	-	38,865
Division of Aging and Adult Services:						
Division of Social Services						
SSBG - Adult Protective Services	93.667		34,851	-	-	3,633
SSBG - In Home Service	93.667		23,079	-	-	3,297
Passed-through Piedmont Triad Regional Council						
SSBG - In Home Service	93.667		7,935	227	-	-
Total Social Service Block Grant			182,459	227	-	45,795
Division of Child Development and Early Education						
Subsidized Child Care						
Child Care Development Fund Cluster:						
Division of Social Services						
Childcare Development Mandatory and						
Match Fund - Administration	93.596	DSS 2017	79,683	-	-	-
Total Subsidized Child Care			79,683	-	-	-
Passed through Piedmont Triad Council of Governments						
Division of Aging and Adult Services						
Family Caregiver Support	93.052		11,111	741	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044	NC007 (17)	47,296	2,783	-	-
CARES Act - In-Home/ Supp Services	93.044		50,438		-	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Special Programs for the Aging - Title III C						
Nutrition Services	93.045	NC007 (17)	70,583	3,020	-	-
CARES Act - Congregate Meals	93.045				-	-
Nutrition Services Incentive Program	93.053	NC007 (17)	28,596		-	-
Total Aging Cluster			196,913	5,803	-	-
Medical Assistance Program	93.778	XIX-MAP17	832,791	2,538	-	319,368
State Children's Insurance Program - N.C. Health Choice	93.767	CHIP17	37,448	1,048	-	7,377
Total U.S. Department of Health and Human Services			3,217,001	121,588	-	882,735
U.S. Department of Homeland Security						
Passed through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management Performance Grants	97.042	RMDS 1500	51,981	-	-	-
Emergency Management Performance Grants - ARPA		RMDS 1500	11,068			
COVID-19 - Disaster Grants - Public Assistance	97.036		6,713			
Total U.S. Department of Homeland Security			69,762	-	-	-
Total Federal Awards			\$ 11,530,558	\$ 121,588	\$ -	\$ 1,055,219

STATE AWARDS

N.C. Department of Health and Human Services

Division of Public Health

Food and Lodging Fees			\$ -	\$ 6,880	\$ -	\$ -
PH Capacity Building			-	79,113	-	-
General Communicable Disease Control		1175 4510 00	-	11,307	-	-
Healthy Community Activities			-	3,746	-	-
Child Health		1271 5745 00	-	6,212	-	-
HIV/STD State			-	620	-	-
School Nurse Funding Initiative		1332 5358 AV, 00	-	50,000	-	-
Family Planning - State		13A1 5735 00	-	8,575	-	-
Maternal Health (HMMC)		13A1 5740 00	-	20,570	-	-
Women's Health Service Fund		13A1 1306 FR	-	5,960	-	-
TB Control			-	521	-	-
Total Division of Public Health			-	193,504	-	-

Division of Social Services:

State Child Welfare/CPS/CS LD			-	28,305	-	-
County Funded Programs			-	-	-	1,110,444
Non-Allocating County Cost			-	-	-	226,327
WRK FRT NON REIMBURSABLE			-	-	-	10,480
Extended FC/Max Non IV-E			-	11,053	-	-
SFHF Maximization			-	121,929	-	107,913
State Foster Home			-	77,448	-	68,634
F/C Risk Maximization			-	15,615	-	5,535
IV-B EFT CHAF INDEP LIV			-	31,506	-	-
Total Division of Social Services			-	285,856	-	1,529,333

Passed-Through the Piedmont Triad Regional Council

Division of Aging and Adult Services:

State Funds -Access			-	372	-	-
State Funds - Home Delivered Meals			-	119,012	-	-
State Funds - In-Home Services			-	60,604	-	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
State Funds - Senior Center General Purpose		NC007 (17)	-	32,079	-	-
Fan Heat Relief				265		
Total Division of Aging			-	212,332	-	-
Total N.C. Department of Health and Human Services			-	691,692	-	1,529,333
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs		RMDS 1240	-	141,720	-	-
JCPC - Community Program Services		RMDS 1230		149,911		
Total Juvenile Crime Prevention Programs			-	291,631	-	-
Sheriff Assistance Grant		RMDS 1100		12,924		
Total Agency N.C. Department of Public Safety			-	304,555	-	-
<u>N.C. Dept. of Administration</u>						
Division of Veteran Affairs						
Veterans Service		143B-1211C4	-	2,109	-	-
Total N.C. Department of Administration			-	2,109	-	-
<u>N.C. Department of Environmental Quality</u>						
N.C. Clean Water Revolving Loan & Grant Program		H-MRF-D-20-0029	-	39,085	-	-
Total N.C. Department of Environmental Quality			-	39,085	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Spay Neuter Program		Reimbursement Program	-	10,550	-	-
ASCP - Cost Share		YADKIN17	-	29,751	-	-
NC DENR Matching Funds		40100296315SWC	-	3,600	-	-
Total N.C. Department of Agriculture and Consumer Services			-	43,901	-	-
<u>N.C. Department of Transportation</u>						
ROAP Cluster						
ROAP - RGP		DOT-16CL 36228.22.10.1		76,515		
ROAP - EDTAP		DOT-16CL 36220.10.10.1		64,015		
ROAP - EMPLOYMENT		DOT-16CL 36236.11.9.1		10,844		
Total ROAP Cluster			-	151,374	-	-
Total N.C. Department of Transportation			-	151,374	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	450,000	-	-
Total N.C. Department of Public Instruction			-	450,000	-	-
Total State Assistance			\$ -	\$ 1,682,716	\$ -	\$ 1,529,333
Total Assistance Federal and State Assistance			\$ 11,530,558	\$ 1,804,304	\$ -	\$ 2,584,552

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, 2022. 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.

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

	Federal	State/ Pass-through	Federal	State	Provided to	Local
Grantor/Pass-through	Assistance	Grantor's	Federal	State	Provided to	Local
Grantor/Program title	Listing No.	Number	Expenditures	Expenditures	Subrecipients	Expenditures

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.

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	AL No.	Federal	State
Supplemental Nutrition Assistance Program	10.551	\$ 14,446,058	\$ -
Special Supplemental Nutrition Program for Women Infant and	10.557	459,103	-
Children's Health Insurance Program	93.767	830,520	186,182
Medical Assistance Program	93.778	54,179,947	20,312,839
IV-E Adopt & Vendor	93.659	528,098	105,513
TANF - PEAFF	93.558	35,500	-
TANF Payments & Penalties	93.558	140,236	-
CWS Adopt, Vendor, Guard	N/A	-	138,585
SC/SA Domiciliary Care	N/A	-	132,460