

**YADKIN COUNTY, NORTH CAROLINA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

# YADKIN COUNTY, NORTH CAROLINA

## BOARD OF COUNTY COMMISSIONERS

Kevin Austin, Chairman

David Moxley, Vice -Chairman

Frank Zachary

Cliff Collins

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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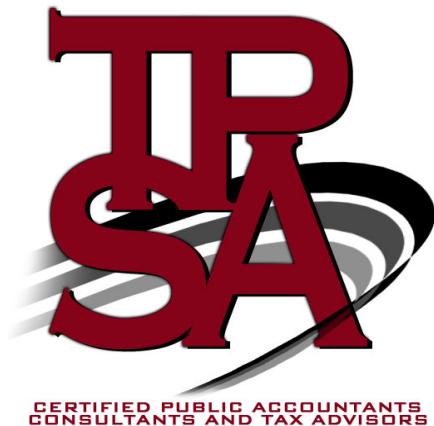
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## FINANCIAL SECTION



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Alan W. Thompson, CPA  
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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, 2023, 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, 2023, 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.

#### **Members**

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

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 Yadkin 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 65 and 66, 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 67 and 68, 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 69 and 70, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 71, 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 30, 2023 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 30, 2023

## **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, 2023. 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**

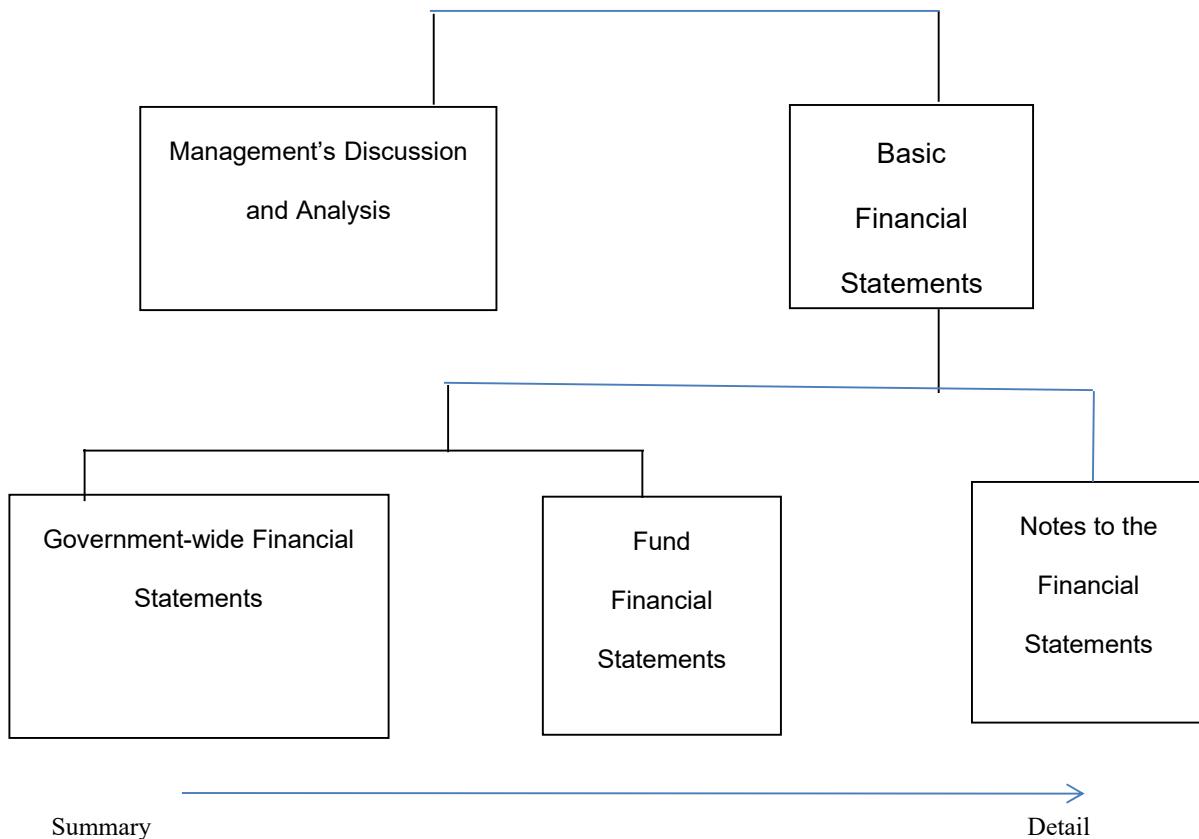
- The assets and deferred outflows of resources of Yadkin County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$71,035,996 (net position).
- The County's total net position increased by \$4,944,413, primarily due to controlled expenses and project expenses that are capitalized.
- As of the close of the current fiscal year, Yadkin County's total governmental funds reported combined ending fund balances of \$32,581,128, after a net increase in fund balance of \$2,625,903. Approximately 16.14% of this total amount, or \$5,257,402 is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,478,388 or 31.47 percent of total General Fund expenditures and transfers out less lease and IT subscription liabilities issued for the fiscal year per GASB Implementation Requirements.

### **Overview of the Financial Statements**

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes to the financial statements**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

## **Government-wide Financial Statements**

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

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services, such as public safety, parks and recreation, and general administration. Property taxes and Federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Yadkin County. The final category is the component unit. Although legally separate from Yadkin County, the Yadkin County Tourism Development Authority is important to the County because the County exercises control over the Board by appointing its members.

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

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Yadkin County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Yadkin County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 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 \$71,035,996 as of June 30, 2023. The County's net position increased by \$5,186,391 for the fiscal year ended June 30, 2023. One of the largest portions of net position \$54,513,659 (76.74%), reflects the County's net investment in capital assets (e.g., land, buildings, machinery and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yadkin County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Yadkin County's total net position, \$4,944,413, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,209,087 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, 2023.

**Yadkin County's Net Position**

**Figure 2**

|  | Governmental Activities |               | Business-type Activities |              | Total         |               |
|--|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|  | 2023                    | 2022          | 2023                     | 2022         | 2023          | 2022          |
| Current and other assets                 | \$ 38,510,692           | \$ 34,740,076 | \$ 997,868               | \$ 817,793   | \$ 39,508,560 | \$ 35,557,869 |
| Capital assets                           | 57,382,723              | 53,895,426    | 9,090,868                | 9,487,112    | 66,473,591    | 63,382,538    |
| Total assets                             | 95,893,415              | 88,635,502    | 10,088,736               | 10,304,905   | 105,982,151   | 98,940,407    |
| <br>Total deferred outflows of resources | <br>8,048,493           | <br>6,325,426 | <br>152,626              | <br>118,249  | <br>8,201,119 | <br>6,443,675 |
| <br>Long-term liabilities                | <br>                    | <br>          | <br>                     | <br>         | <br>          | <br>          |
| outstanding                              | 30,141,403              | 26,019,045    | 3,154,764                | 3,271,060    | 33,296,167    | 29,290,105    |
| Other liabilities                        | 7,461,043               | 6,871,083     | 387,772                  | 352,255      | 7,848,815     | 7,223,338     |
| Total liabilities                        | 37,602,446              | 32,890,128    | 3,542,536                | 3,623,315    | 41,144,982    | 36,513,443    |
| <br>Total deferred inflows of resources  | <br>1,975,544           | <br>3,691,159 | <br>26,748               | <br>68,407   | <br>2,002,292 | <br>3,759,566 |
| <br>Net position:                        | <br>                    | <br>          | <br>                     | <br>         | <br>          | <br>          |
| Net investment in capital assets         | 48,475,259              | 35,854,490    | 6,038,400                | 6,236,853    | 54,513,659    | 42,091,343    |
| Restricted                               | 5,313,250               | 3,738,712     | -                        | -            | 5,313,250     | 3,738,712     |
| Unrestricted                             | 10,575,409              | 18,786,439    | 633,678                  | 494,579      | 11,209,087    | 19,281,018    |
| Total net position                       | \$ 64,363,918           | \$ 58,379,641 | \$ 6,672,078             | \$ 6,731,432 | \$ 71,035,996 | \$ 65,111,073 |

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 maintaining a collection percentage of 98.11%, which is slightly lower than the prior year's collection percentage of 98.17%, and slightly lower than the last provided statewide average of 99.10%.
- 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<br>Activities |                      | Business-type<br>Activities |                     | Total                |                      |
|--|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
|  | 2023                       | 2022                 | 2023                        | 2022                | 2023                 | 2022                 |
| <b>Revenues:</b>                                     |                            |                      |                             |                     |                      |                      |
| Program revenues:                                    |                            |                      |                             |                     |                      |                      |
| Charges for services                                 | \$ 4,448,204               | \$ 4,048,380         | \$ 3,344,271                | \$ 2,957,615        | \$ 7,792,475         | \$ 7,005,995         |
| Operating grants and contributions                   | 6,830,374                  | 13,047,044           | 120,901                     | 111,145             | 6,951,275            | 13,158,189           |
| Capital grants and contributions                     | 854,142                    | 911,704              | 2,656                       | -                   | 856,798              | 911,704              |
| General revenues:                                    |                            |                      |                             |                     |                      |                      |
| Property taxes                                       | 24,333,461                 | 23,241,398           | -                           | -                   | 24,333,461           | 23,241,398           |
| Other taxes  | 12,647,710                 | 11,454,928           | -                           | -                   | 12,647,710           | 11,454,928           |
| Other  | 598,976                    | 260,114              | -                           | -                   | 598,976              | 260,114              |
| Total revenues                                       | <b>49,712,867</b>          | <b>52,963,568</b>    | <b>3,467,828</b>            | <b>3,068,760</b>    | <b>53,180,695</b>    | <b>56,032,328</b>    |
| <b>Expenses:</b>                                     |                            |                      |                             |                     |                      |                      |
| General government                                   | 7,746,712                  | 13,744,646           | -                           | -                   | 7,746,712            | 13,744,646           |
| Public safety  | 15,969,646                 | 8,190,866            | -                           | -                   | 15,969,646           | 8,190,866            |
| Economic and physical development                    | 960,124                    | 284,380              | -                           | -                   | 960,124              | 284,380              |
| Environmental protection                             | 241,978                    | -                    | -                           | -                   | 241,978              | -                    |
| Human services                                       | 9,886,206                  | 9,427,351            | -                           | -                   | 9,886,206            | 9,427,351            |
| Cultural and recreation                              | 484,054                    | 1,234,359            | -                           | -                   | 484,054              | 1,234,359            |
| Education  | 8,992,811                  | 9,457,502            | -                           | -                   | 8,992,811            | 9,457,502            |
| Interest on long-term debt                           | 372,590                    | 446,535              | -                           | -                   | 372,590              | 446,535              |
| Landfill   | -                          | -                    | 2,803,137                   | 2,661,314           | 2,803,137            | 2,661,314            |
| Water and sewer                                      | -                          | -                    | 779,024                     | 683,192             | 779,024              | 683,192              |
| Total expenses                                       | <b>44,654,121</b>          | <b>42,785,639</b>    | <b>3,582,161</b>            | <b>3,344,506</b>    | <b>48,236,282</b>    | <b>46,130,145</b>    |
| Increase (decrease) in net position before transfers | 5,058,746                  | 10,177,929           | (114,333)                   | (275,746)           | 4,944,413            | 9,902,183            |
| Transfers  | <b>(26,320)</b>            | <b>(4,599)</b>       | <b>26,320</b>               | <b>4,599</b>        | <b>-</b>             | <b>-</b>             |
| Increase (decrease) in net position                  | 5,032,426                  | 10,173,330           | (88,013)                    | (271,147)           | 4,944,413            | 9,902,183            |
| Net position, beginning, restated                    | <b>59,331,492</b>          | <b>48,206,311</b>    | <b>6,760,091</b>            | <b>7,002,579</b>    | <b>66,091,583</b>    | <b>55,208,890</b>    |
| Net position, ending                                 | <b>\$ 64,363,918</b>       | <b>\$ 58,379,641</b> | <b>\$ 6,672,078</b>         | <b>\$ 6,731,432</b> | <b>\$ 71,035,996</b> | <b>\$ 65,111,073</b> |

**Governmental activities.** Governmental activities increased the County's net position by \$5,032,426. Key elements of this increase are as follows:

- Increase in local option sales tax funds
- Increase in property tax revenue
- Receipt of \$314,767 in Coronavirus Funding

**Business-type activities.** Business-type activities decreased the County's net position by \$88,013. Key elements of this decrease are as follows:

- Operations of the landfill increased net position of the business-type activities by \$291,408, while operations of the Water and Sewer Fund decreased net position by \$379,421. 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 and sewer line which is leased to the Town of Yadkinville, 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 \$18,586,819 while total fund balance reached \$22,855,747. Overall, fund balance decreased \$3,306,910 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 37.94 percent of total General Fund expenditures, while total fund balance represents 46.65 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 \$32,581,128 an increase of \$2,625,903 in comparison with the prior year. This increase is due to the increase in local option sales tax revenue, property tax collections, and COVID funding.

At the end of the current fiscal year, Yadkin County's fund balance in the Capital Projects Fund was \$8,524,000. Overall, fund balance increased \$5,763,365 from current year activities, with the majority of the increase being a transfer from the General Fund of \$5,800,000 to use ARPA funds that were recognized as revenue replacement in the General Fund in the prior year for capital projects.

**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 \$8,995,826 Appropriated fund balance was \$11,049,069, which included transferring \$6.2 million to fund the public facility building and EMS outpost.

**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, 2023, unrestricted net position of the Landfill Fund (Solid Waste Fund) was \$242,890. The total increase in the unrestricted net position of the Landfill Fund (Solid Waste Fund) was \$325,481, as compared to the deficit unrestricted net position of \$82,591 at June 30, 2022.

At June 30, 2023, unrestricted net position of the Water and Sewer Fund totaled \$390,788. The total decrease in the unrestricted net position of the Water and Sewer Fund was \$186,382, as compared to the unrestricted net position of \$577,170 at June 30, 2022. The Water and Sewer Fund should be self-sustaining, as it currently consists of two water and sewer 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 Water and Sewer lines. 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, 2023, totals \$66,473,591 (net of accumulated depreciation/amortization). 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/amortization)**

**Figure 4**

|                            | Governmental Activities |                      | Business-type Activities |                     | Total                |                      |
|----------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                            | 2023                    | 2022                 | 2023                     | 2022                | 2023                 | 2022                 |
| Land                       | \$ 6,351,324            | \$ 5,901,653         | \$ 278,462               | \$ 278,462          | \$ 6,629,786         | \$ 6,180,115         |
| Construction in process    | 1,051,541               | 5,086,731            | -                        | -                   | 1,051,541            | 5,086,731            |
| Buildings                  | 43,904,439              | 40,484,450           | 32,511                   | 34,879              | 43,936,950           | 40,519,329           |
| Improvements               | -                       | -                    | 17,962                   | 20,399              | 17,962               | 20,399               |
| Water and sewer lines      | -                       | -                    | 8,703,600                | 9,099,515           | 8,703,600            | 9,099,515            |
| Furniture and equipment    | 953,729                 | 1,210,779            | 53,248                   | 53,857              | 1,006,977            | 1,264,636            |
| Vehicles                   | 1,201,246               | 1,211,813            | -                        | -                   | 1,201,246            | 1,211,813            |
| Right to use leased assets | 3,920,444               | 416,119              | 5,085                    | 11,185              | 3,925,529            | 427,304              |
| <b>Total</b>               | <b>\$ 57,382,723</b>    | <b>\$ 54,311,545</b> | <b>\$ 9,090,868</b>      | <b>\$ 9,498,297</b> | <b>\$ 66,473,591</b> | <b>\$ 63,809,842</b> |

Major capital asset transactions during the year include:

- Purchase of new vehicles for the Sheriff's Office and EMS
- Various building improvements
- Continued Watershed Project costs
- Completion of the Sheriff Admin Office Building
- Costs associated with the Yadkin County Facilities project

## Long-Term Debt

**Yadkin County's Outstanding Debt**

**Figure 5**

|                                  | Governmental Activities |                      | Business-type Activities |                     | Total                |                      |
|----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                  | 2023                    | 2022                 | 2023                     | 2022                | 2023                 | 2022                 |
| Installment purchase obligations | \$ 13,070,691           | \$ 16,352,305        | \$ 3,047,081             | \$ 3,250,220        | \$ 16,117,772        | \$ 19,602,525        |
| Lease liability                  | 3,406,879               | 316,147              | 5,387                    | 11,224              | 3,412,266            | 327,371              |
| IT Subscription liability        | 179,894                 | 101,018              | -                        | -                   | 179,894              | 101,018              |
| Net pension liability (LGERS)    | 8,368,014               | 2,218,842            | 162,389                  | 43,059              | 8,530,403            | 2,261,901            |
| Total pension liability (LEOSSA) | 715,191                 | 956,678              | -                        | -                   | 715,191              | 956,678              |
| Compensated absences             | 954,963                 | 965,823              | 16,713                   | 12,388              | 971,676              | 978,211              |
| Total OPEB Liability             | 7,288,393               | 8,904,633            | 135,310                  | 165,316             | 7,423,703            | 9,069,949            |
|                                  | <b>\$ 33,984,025</b>    | <b>\$ 29,815,446</b> | <b>\$ 3,366,880</b>      | <b>\$ 3,482,207</b> | <b>\$ 37,350,905</b> | <b>\$ 33,297,653</b> |

Yadkin County's total debt increased by \$4,053,252 (15.74 percent) during the past fiscal year, primarily due to additional lease liabilities recorded as a result of the implementation of GASB 87 and IT Subscription liabilities recorded as a result of the implementation of GASB 96, which were offset by scheduled principal repayments on existing installment purchase agreements. In addition, there was a significant increase in the LGERS net pension liability.

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 \$271,314,735.

#### **Economic Factors and Next Year's Budgets and Rates**

- The County's unemployment rate has decreased from 3.70% in June of 2022 to 3.30% in June of 2023, which is below 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.

All of these factors were considered in preparing Yadkin County's budget for the 2023-24 fiscal year.

#### **Budget Highlights for the Fiscal Year Ending June 30, 2024**

**Governmental Activities:** The General Fund projected revenues are expected to be higher than anticipated revenues realized during the fiscal year ended June 30, 2023, 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, 2023 as well. The Board of Commissioners decreased the property tax rate of .66 per \$100 in Fiscal Year 2023 to .65 per \$100 in Fiscal Year 2024. The County began the process of constructing a new Yadkin County Public Facilities Building and EMS Outpost.

**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, 2023

|  | Primary Government      |                          |                      | Component Unit                |
|--|-------------------------|--------------------------|----------------------|-------------------------------|
|  |                         |                          |                      | Yadkin County                 |
|  | Governmental Activities | Business-type Activities | Total                | Tourism Development Authority |
| <b>ASSETS</b>                                    |                         |                          |                      |                               |
| <b>Current Assets:</b>                           |                         |                          |                      |                               |
| Cash and cash equivalents                        | \$ 31,131,873           | \$ 691,379               | \$ 31,823,252        | \$ 97,722                     |
| Taxes receivable, net                            | 480,934                 | -                        | 480,934              | -                             |
| Accounts Receivables, net                        | 1,255,590               | 254,764                  | 1,510,354            | 4,872                         |
| Notes receivable, net                            | 362,721                 | -                        | 362,721              | -                             |
| Lease receivable                                 | 266,598                 | -                        | 266,598              | -                             |
| Due from other governments                       | 3,015,026               | 30,259                   | 3,045,285            | -                             |
| Restricted cash and cash equivalents             | 1,958,317               | -                        | 1,958,317            | -                             |
| Inventories                                      | -                       | 21,466                   | 21,466               | -                             |
| Total current assets                             | <u>38,471,059</u>       | <u>997,868</u>           | <u>39,468,927</u>    | <u>102,594</u>                |
| <b>Non-current Assets:</b>                       |                         |                          |                      |                               |
| Net pension asset - ROD                          | 39,633                  | -                        | 39,633               | -                             |
| Capital assets:                                  |                         |                          |                      |                               |
| Land, improvements, and construction in progress | 7,402,865               | 278,462                  | 7,681,327            | -                             |
| Other capital assets, net of depreciation        | 46,059,414              | 8,807,321                | 54,866,735           | -                             |
| Right to use assets, net of amortization         | 3,920,444               | 5,085                    | 3,925,529            | -                             |
| Total capital assets                             | <u>57,382,723</u>       | <u>9,090,868</u>         | <u>66,473,591</u>    | <u>-</u>                      |
| Total non-current assets                         | <u>57,422,356</u>       | <u>9,090,868</u>         | <u>66,513,224</u>    | <u>-</u>                      |
| Total assets                                     | <u>95,893,415</u>       | <u>10,088,736</u>        | <u>105,982,151</u>   | <u>102,594</u>                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            | 8,048,493               | 152,626                  | 8,201,119            | -                             |
| <b>LIABILITIES</b>                               |                         |                          |                      |                               |
| <b>Current Liabilities:</b>                      |                         |                          |                      |                               |
| Accounts payable and accrued expenses            | 1,601,222               | 173,921                  | 1,775,143            | 1,582                         |
| Unearned revenues                                | 1,958,317               | -                        | 1,958,317            | -                             |
| Customer deposits                                | -                       | -                        | -                    | -                             |
| Accrued interest payable                         | 58,882                  | -                        | 58,882               | -                             |
| Current portion of long-term liabilities         | 3,842,622               | 213,851                  | 4,056,473            | -                             |
| Total current liabilities                        | <u>7,461,043</u>        | <u>387,772</u>           | <u>7,848,815</u>     | <u>1,582</u>                  |
| <b>Long-term liabilities:</b>                    |                         |                          |                      |                               |
| Net Pension Liability - LGERS                    | 8,368,014               | 162,389                  | 8,530,403            | -                             |
| Total Pension Liability - LEOSSA                 | 715,191                 | -                        | 715,191              | -                             |
| Due in more than one year                        | 21,058,198              | 2,992,375                | 24,050,573           | -                             |
| Total long-term liabilities                      | <u>30,141,403</u>       | <u>3,154,764</u>         | <u>33,296,167</u>    | <u>-</u>                      |
| Total liabilities                                | <u>37,602,446</u>       | <u>3,542,536</u>         | <u>41,144,982</u>    | <u>1,582</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             | 1,975,544               | 26,748                   | 2,002,292            | -                             |
| <b>NET POSITION</b>                              |                         |                          |                      |                               |
| Net investment in capital assets                 | 48,475,259              | 6,038,400                | 54,513,659           | -                             |
| Restricted for:                                  |                         |                          |                      |                               |
| Stabilization by State Statute                   | 4,266,336               | -                        | 4,266,336            | 4,872                         |
| Tourism promotion                                | -                       | -                        | -                    | 96,140                        |
| Public safety                                    | 988,474                 | -                        | 988,474              | -                             |
| Register of Deeds pension plan                   | 58,440                  | -                        | 58,440               | -                             |
| Unrestricted (deficit)                           | <u>10,575,409</u>       | <u>633,678</u>           | <u>11,209,087</u>    | <u>-</u>                      |
| Total net position                               | <u>\$ 64,363,918</u>    | <u>\$ 6,672,078</u>      | <u>\$ 71,035,996</u> | <u>\$ 101,012</u>             |

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

**Yadkin County**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

| Functions/Programs                         | Program Revenues |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                 | Component Unit<br>Yadkin County<br>Tourism<br>Development<br>Authority |  |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|--|--|
|  |                  |                      |                                    |                                  | Primary Government                                |                          |                 |  |  |
|  | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total           |  |  |
| <b>Primary government:</b>                 |                  |                      |                                    |                                  |   |                          |                 |  |  |
| Governmental Activities:                   |                  |                      |                                    |                                  |   |                          |                 |  |  |
| General government                         | \$ 7,746,712     | \$ 1,200,226         | \$ 274,050                         | \$ -                             | \$ (6,272,436)                                    | \$ -                     | \$ (6,272,436)  |  |  |
| Public safety                              | 15,969,646       | 2,591,200            | 497,024                            | -                                | (12,881,422)                                      | -                        | (12,881,422)    |  |  |
| Economic and physical development          | 960,124          | 667                  | 3,600                              | 404,142                          | (551,715)   | -                        | (551,715)       |  |  |
| Environmental Protection                   | 241,978          | -                    | -                                  | -                                | (241,978)   | -                        | (241,978)       |  |  |
| Human services                             | 9,886,206        | 571,711              | 6,055,700                          | -                                | (3,258,795)                                       | -                        | (3,258,795)     |  |  |
| Cultural and recreation                    | 484,054          | 84,400               | -                                  | -                                | (399,654)   | -                        | (399,654)       |  |  |
| Education                                  | 8,992,811        | -                    | -                                  | 450,000                          | (8,542,811)                                       | -                        | (8,542,811)     |  |  |
| Interest/Fees on long-term debt            | 372,590          | -                    | -                                  | -                                | (372,590)   | -                        | (372,590)       |  |  |
| Total governmental activities              | 44,654,121       | 4,448,204            | 6,830,374                          | 854,142                          | (32,521,401)                                      | -                        | (32,521,401)    |  |  |
| Business-type activities:                  |                  |                      |                                    |                                  |   |                          |                 |  |  |
| Water and Sewer Fund                       | 779,024          | 393,283              | -                                  | -                                | -   | (385,741)                | (385,741)       |  |  |
| Landfill                                   | 2,803,137        | 2,950,988            | 120,901                            | 2,656                            | -   | 271,408                  | 271,408         |  |  |
| Total business-type activities             | 3,582,161        | 3,344,271            | 120,901                            | 2,656                            | -   | (114,333)                | (114,333)       |  |  |
| Total primary government                   | \$ 48,236,282    | \$ 7,792,475         | \$ 6,951,275                       | \$ 856,798                       | \$ (32,521,401)                                   | \$ (114,333)             | \$ (32,635,734) |  |  |
| <b>Component Unit:</b>                     |                  |                      |                                    |                                  |   |                          |                 |  |  |
| Yadkin County TDA                          | \$ 57,473        | \$ -                 | \$ -                               | \$ -                             |   |                          | \$ (57,473)     |  |  |
| Total component unit                       | \$ 57,473        | \$ -                 | \$ -                               | \$ -                             |   |                          | \$ (57,473)     |  |  |
| General revenues:                          |                  |                      |                                    |                                  |   |                          |                 |  |  |
| Taxes:                                     |                  |                      |                                    |                                  |   |                          |                 |  |  |
| Property taxes, levied for general purpose |                  |                      |                                    | 24,333,461                       | -   | 24,333,461               | -               |  |  |
| Local option sales tax                     |                  |                      |                                    | 12,530,306                       | -   | 12,530,306               | -               |  |  |
| Other taxes and licenses                   |                  |                      |                                    | 117,404                          | -   | 117,404                  | 52,809          |  |  |
| Investment earnings, unrestricted          |                  |                      |                                    | 461,837                          | -   | 461,837                  | -               |  |  |
| Miscellaneous, unrestricted                |                  |                      |                                    | 137,139                          | -   | 137,139                  | 24,886          |  |  |
| Transfers                                  |                  |                      |                                    | (26,320)                         | 26,320  | -                        | -               |  |  |
| Total general revenues                     |                  |                      |                                    | 37,553,827                       | 26,320  | 37,580,147               | 77,695          |  |  |
| Change in net position                     |                  |                      |                                    | 5,032,426                        | (88,013)  | 4,944,413                | 20,222          |  |  |
| Net position, beginning                    |                  |                      |                                    | 58,379,641                       | 6,731,432   | 65,111,073               | 80,790          |  |  |
| Prior period adjustment                    |                  |                      |                                    | 951,851                          | 28,659  | 980,510                  | -               |  |  |
| Net position, beginning, as restated       |                  |                      |                                    | 59,331,492                       | 6,760,091   | 66,091,583               | 80,790          |  |  |
| Net position, ending                       |                  |                      |                                    | \$ 64,363,918                    | \$ 6,672,078                                      | \$ 71,035,996            | \$ 101,012      |  |  |

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

**Yadkin County**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

|   | <b>Major Funds</b>   |                               |                              | <b>Nonmajor</b>           |                   |
|---|----------------------|-------------------------------|------------------------------|---------------------------|-------------------|
|   | <b>General</b>       | <b>Opioid Settlement Fund</b> | <b>Capital Projects Fund</b> | <b>Governmental Funds</b> | <b>Total</b>      |
| <b>ASSETS</b>   |                      |                               |                              |                           |                   |
| Cash and cash equivalents   | \$ 19,838,249        | \$ -                          | \$ 8,477,412                 | \$ 1,340,032              | \$ 29,655,693     |
| Restricted cash   | -                    | 458,317                       | 1,500,000                    | -                         | 1,958,317         |
| Taxes receivables, net  | 423,257              | -                             | -                            | 46,294                    | 469,551           |
| Accounts receivable, net  | 1,209,002            | -                             | 46,588                       | -                         | 1,255,590         |
| Other short-term receivable   | 362,721              | -                             | -                            | -                         | 362,721           |
| Lease Receivable  | 266,598              | -                             | -                            | -                         | 266,598           |
| Due from other governments  | 3,015,026            | -                             | -                            | -                         | 3,015,026         |
| Due from other funds  | 102,101              | -                             | -                            | -                         | 102,101           |
| Total assets  | <u>25,216,954</u>    | <u>458,317</u>                | <u>10,024,000</u>            | <u>1,386,326</u>          | <u>37,085,597</u> |
| <b>LIABILITIES AND FUND BALANCES</b>                                |                      |                               |                              |                           |                   |
| Liabilities:  |                      |                               |                              |                           |                   |
| Accounts payable and accrued liabilities                            | 1,251,430            | -                             | -                            | 36,550                    | 1,287,980         |
| Due to other funds  | -                    | -                             | -                            | 102,101                   | 102,101           |
| Unearned revenues   | -                    | 458,317                       | 1,500,000                    | -                         | 1,958,317         |
| Total liabilities   | <u>1,251,430</u>     | <u>458,317</u>                | <u>1,500,000</u>             | <u>138,651</u>            | <u>3,348,398</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                | <u>1,109,777</u>     | <u>-</u>                      | <u>-</u>                     | <u>46,294</u>             | <u>1,156,071</u>  |
| <b>Fund Balances:</b>   |                      |                               |                              |                           |                   |
| Nonspendable:   |                      |                               |                              |                           |                   |
| Leases  | 2,592                | -                             | -                            | -                         | 2,592             |
| Restricted:   |                      |                               |                              |                           |                   |
| Stabilization by State Statute                                      | 4,266,336            | -                             | -                            | -                         | 4,266,336         |
| Restricted, all other   | -                    | -                             | -                            | 988,474                   | 988,474           |
| Committed:  | 2,533,431            | -                             | 8,524,000                    | 316,451                   | 11,373,882        |
| Assigned:   | 575,000              | -                             | -                            | -                         | 575,000           |
| Unassigned  | 15,478,388           | -                             | -                            | (103,544)                 | 15,374,844        |
| Total fund balances   | <u>22,855,747</u>    | <u>-</u>                      | <u>8,524,000</u>             | <u>1,201,381</u>          | <u>32,581,128</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 25,216,954</u> | <u>\$ 458,317</u>             | <u>\$ 10,024,000</u>         | <u>\$ 1,386,326</u>       | (cont.)           |

**Yadkin County**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**June 30, 2023**

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

|  |                             |
|--|-----------------------------|
| Total Fund Balance - Governmental Funds  | \$ 32,581,128               |
| 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)                   | 82,309,544                  |
| Less accumulated depreciation/amortization   | <u>(24,926,821)</u>         |
| Net capital assets   | 57,382,723                  |
|  |                             |
| Net Pension Asset (ROD)  | 39,633                      |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position   | 1,548,215                   |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position   | 35,793                      |
| Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position  | 340,397                     |
|  |                             |
| Deferred outflows of resources:  |                             |
| LGERS  | 4,057,952                   |
| Register of Deeds  | 20,665                      |
| LEOSSA   | 193,144                     |
| OPEB   | 1,852,327                   |
|  |                             |
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements  | 11,383                      |
|  |                             |
| Deferred inflows of resources reported in the government-wide statements but not the fund statements:  |                             |
| LGERS  | (174,718)                   |
| Register of Deeds  | (4,780)                     |
| LEOSSA   | (273,899)                   |
| OPEB   | (1,258,141)                 |
|  |                             |
| Deferred inflows of resources for taxes receivable, EMS receivables, and health receivables  | 892,065                     |
|  |                             |
| 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   | (16,657,464)                |
| Compensated absences   | (954,963)                   |
| Total pension liability (LEOSSA)   | (715,191)                   |
| Total OPEB liability   | (7,288,393)                 |
| Net Pension liability (LGERS)  | (8,368,014)                 |
| Accrued interest payable   | (58,882)                    |
|  |                             |
| An internal service fund is used to charge the cost of medical insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position | <u>1,162,938</u>            |
|  |                             |
| Net position of governmental activities  | <u><u>\$ 64,363,918</u></u> |

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

**Yadkin County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

|   | <b>Major Funds</b>   |                               |                              |                                    |                      | <b>Total</b> |
|---|----------------------|-------------------------------|------------------------------|------------------------------------|----------------------|--------------|
|   | <b>General Fund</b>  | <b>Opioid Settlement Fund</b> | <b>Capital Projects Fund</b> | <b>Nonmajor Governmental Funds</b> |                      |              |
| <b>REVENUES</b>                                   |                      |                               |                              |                                    |                      |              |
| Ad valorem taxes                                  | \$ 21,947,266        | \$ -                          | \$ -                         | \$ 2,346,111                       | \$ 24,293,377        |              |
| Local option sales taxes                          | 12,276,051           | -                             | -                            | 254,255                            | 12,530,306           |              |
| Other taxes and licenses                          | 141,089              | -                             | -                            | 51,652                             | 192,741              |              |
| Unrestricted intergovernmental                    | 235,386              | -                             | -                            | -                                  | 235,386              |              |
| Restricted intergovernmental                      | 6,335,963            | 86,771                        | 404,142                      | 681,965                            | 7,508,841            |              |
| Permits and fees                                  | 495,984              | -                             | -                            | 18,056                             | 514,040              |              |
| Sales and services                                | 3,187,142            | -                             | -                            | 203,846                            | 3,390,988            |              |
| Investment earnings                               | 443,879              | -                             | -                            | 17,958                             | 461,837              |              |
| Miscellaneous                                     | 584,719              | -                             | -                            | 26,065                             | 610,784              |              |
| Total revenues                                    | <u>45,647,479</u>    | <u>86,771</u>                 | <u>404,142</u>               | <u>3,599,908</u>                   | <u>49,738,300</u>    |              |
| <b>EXPENDITURES</b>                               |                      |                               |                              |                                    |                      |              |
| Current:  |                      |                               |                              |                                    |                      |              |
| General government                                | 6,731,300            | -                             | 195,859                      | 698,918                            | 7,626,077            |              |
| Public safety                                     | 16,269,993           | -                             | 5,900                        | 2,698,517                          | 18,974,410           |              |
| Economic and physical development                 | 694,051              | -                             | 63,519                       | 51,652                             | 809,222              |              |
| Environmental protection                          | -                    | -                             | 241,978                      | -                                  | 241,978              |              |
| Health and human services                         | 9,556,737            | 86,771                        | -                            | 173,806                            | 9,817,314            |              |
| Cultural and recreational                         | 771,454              | -                             | -                            | -                                  | 771,454              |              |
| Education   | 8,992,811            | -                             | -                            | -                                  | 8,992,811            |              |
| Debt service:                                     |                      |                               |                              |                                    |                      |              |
| Principal   | 3,288,336            | -                             | -                            | -                                  | 3,288,336            |              |
| Interest and other charges                        | 384,582              | -                             | -                            | -                                  | 384,582              |              |
| Total expenditures                                | <u>46,689,264</u>    | <u>86,771</u>                 | <u>507,256</u>               | <u>3,622,893</u>                   | <u>50,906,184</u>    |              |
| Excess (deficiency) of revenues over expenditures | <u>(1,041,785)</u>   | <u>-</u>                      | <u>(103,114)</u>             | <u>(22,985)</u>                    | <u>(1,167,884)</u>   |              |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                      |                               |                              |                                    |                      |              |
| Lease liability issued                            | 3,616,022            | -                             | -                            | -                                  | 3,616,022            |              |
| IT Subscriptions                                  | 197,363              | -                             | -                            | -                                  | 197,363              |              |
| Transfers from other funds                        | 40,243               | -                             | 5,900,000                    | 192,433                            | 6,132,676            |              |
| Transfers to other funds                          | (6,118,753)          | -                             | (40,243)                     | -                                  | (6,158,996)          |              |
| Installment Purchase Obligations Issued           | -                    | -                             | 6,722                        | -                                  | 6,722                |              |
| Total other financing sources (uses)              | <u>(2,265,125)</u>   | <u>-</u>                      | <u>5,866,479</u>             | <u>192,433</u>                     | <u>3,793,787</u>     |              |
| Net change in fund balance                        | <u>(3,306,910)</u>   | <u>-</u>                      | <u>5,763,365</u>             | <u>169,448</u>                     | <u>2,625,903</u>     |              |
| Fund balances, beginning                          | 25,210,816           | -                             | 2,760,635                    | 1,031,933                          | 29,003,384           |              |
| Prior period adjustment                           | 951,841              | -                             | -                            | -                                  | 951,841              |              |
| Fund balances, beginning as restated              | <u>26,162,657</u>    | <u>-</u>                      | <u>2,760,635</u>             | <u>1,031,933</u>                   | <u>29,955,225</u>    |              |
| Fund balances, ending                             | <u>\$ 22,855,747</u> | <u>\$ -</u>                   | <u>\$ 8,524,000</u>          | <u>\$ 1,201,381</u>                | <u>\$ 32,581,128</u> |              |

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

**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, 2023**

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

|  |              |
|--|--------------|
| Net change in fund balances - total governmental funds   | \$ 2,625,903 |
| 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   | 40,359       |
| Sales and services   | (65,517)     |
| 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.  | 1,622,001    |
| Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.  | (2,034,709)  |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) not recorded in the fund statements.  | (20,439)     |
| Capital outlay expenditures recorded in the fund statements but capitalized as right to use leased assets in the statement of activities   | 3,817,804    |
| 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   | (313,479)    |
| 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.  | 3,932,113    |
| 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.  | (3,820,107)  |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.  | 1,548,215    |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position   | 35,793       |
| Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.   | 340,397      |
| Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.  | (275)        |
| 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)  | 11,992       |
| Compensated absences   | 10,860       |
| OPEB Expense   | (241,086)    |
| Pension expense  | (2,358,673)  |
| The portion of Internal Service Fund activities change in net assets allocable to governmental activities is reported with government activities in the Statement of Activities  | (98,726)     |
| Total changes in net position of governmental activities   | \$ 5,032,426 |

**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, 2023**

|   | General Fund           |                    |                      | Variance with<br>Final Budget |
|---|------------------------|--------------------|----------------------|-------------------------------|
|   | Original<br>Budget     | Final<br>Budget    | Actual               |                               |
|   | Positive<br>(Negative) |                    |                      |                               |
| <b>Revenues:</b>                            |                        |                    |                      |                               |
| Ad valorem taxes                            | \$ 21,247,975          | \$ 21,247,975      | \$ 21,947,266        | \$ 699,291                    |
| Local option sales tax                      | 9,573,788              | 9,573,788          | 12,276,051           | 2,702,263                     |
| Other taxes and licenses                    | 127,800                | 127,800            | 141,089              | 13,289                        |
| Unrestricted intergovernmental              | 219,643                | 235,386            | 235,386              | -                             |
| Restricted intergovernmental                | 6,487,076              | 6,886,345          | 6,335,963            | (550,382)                     |
| Permits and fees                            | 429,500                | 429,500            | 495,984              | 66,484                        |
| Sales and services                          | 2,327,420              | 2,523,000          | 3,187,142            | 664,142                       |
| Investment earnings                         | 1,500                  | 227,591            | 443,879              | 216,288                       |
| Miscellaneous                               | 242,175                | 300,655            | 584,719              | 284,064                       |
| <b>Total revenues</b>                       | <b>40,656,877</b>      | <b>41,552,040</b>  | <b>45,647,479</b>    | <b>4,095,439</b>              |
| <b>Expenditures:</b>                        |                        |                    |                      |                               |
| Current:                                    |                        |                    |                      |                               |
| General government                          | 5,644,079              | 7,532,427          | 6,731,300            | 801,127                       |
| Public safety                               | 13,692,197             | 17,790,360         | 16,269,993           | 1,520,367                     |
| Economic and physical                       | 729,877                | 773,797            | 694,051              | 79,746                        |
| Human services                              | 10,454,512             | 10,921,417         | 9,556,737            | 1,364,680                     |
| Cultural and recreational                   | 726,165                | 847,024            | 771,454              | 75,570                        |
| Education                                   | 8,678,753              | 9,554,196          | 8,992,811            | 561,385                       |
| Debt service:                               |                        |                    |                      |                               |
| Principal                                   | 3,290,080              | 3,290,080          | 3,288,336            | 1,744                         |
| Interest                                    | 389,620                | 389,620            | 384,582              | 5,038                         |
| <b>Total expenditures</b>                   | <b>43,605,283</b>      | <b>51,098,921</b>  | <b>46,689,264</b>    | <b>4,409,657</b>              |
| <b>Revenues over (under) expenditures</b>   | <b>(2,948,406)</b>     | <b>(9,546,881)</b> | <b>(1,041,785)</b>   | <b>8,505,096</b>              |
| <b>Other financing sources (uses):</b>      |                        |                    |                      |                               |
| Lease liabilities issued                    | -                      | 4,142,217          | 3,616,022            | (526,195)                     |
| IT subscriptions                            | -                      | 461,963            | 197,363              | (264,600)                     |
| Transfers to other funds                    | -                      | (6,106,368)        | (6,118,753)          | (12,385)                      |
| Transfers from other funds                  | -                      | -                  | 40,243               | 40,243                        |
| Appropriated fund balance                   | 2,948,406              | 11,049,069         | -                    | (11,049,069)                  |
| <b>Total other financing sources (uses)</b> | <b>2,948,406</b>       | <b>9,546,881</b>   | <b>(2,265,125)</b>   | <b>(11,812,006)</b>           |
| <b>Net change in fund balance</b>           | <b>\$ -</b>            | <b>\$ -</b>        | <b>(3,306,910)</b>   | <b>\$ (3,306,910)</b>         |
| Fund balance, beginning of year             |                        |                    | 25,210,816           |                               |
| Prior period adjustment                     |                        |                    | 951,841              |                               |
| <b>Fund balance, end of year</b>            |                        |                    | <b>\$ 22,855,747</b> |                               |

**Yadkin County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

|   | Business-Type Activities |                      |                     | Governmental Activities |  |
|---|--------------------------|----------------------|---------------------|-------------------------|--|
|   | Major                    |                      |                     | Internal Service Fund   |  |
|   | Landfill Fund            | Water and Sewer Fund | Total               |                         |  |
| <b>ASSETS</b>                             |                          |                      |                     |                         |  |
| Current assets:                           |                          |                      |                     |                         |  |
| Cash and cash equivalents                 | \$ 288,699               | \$ 402,680           | \$ 691,379          | \$ 1,476,180            |  |
| Accounts receivable, net                  | 209,330                  | 45,434               | 254,764             | -                       |  |
| Due from other governments                | 30,259                   | -                    | 30,259              | -                       |  |
| Inventories                               | -                        | 21,466               | 21,466              | -                       |  |
| Total current assets                      | <u>528,288</u>           | <u>469,580</u>       | <u>997,868</u>      | <u>1,476,180</u>        |  |
| Noncurrent assets:                        |                          |                      |                     |                         |  |
| Capital assets:                           |                          |                      |                     |                         |  |
| Land and construction in progress         | 278,462                  | -                    | 278,462             | -                       |  |
| Other capital assets, net of depreciation | 103,721                  | 8,703,600            | 8,807,321           | -                       |  |
| Right to use, net of amortization         | -                        | 5,085                | 5,085               | -                       |  |
| Total capital assets                      | <u>382,183</u>           | <u>8,708,685</u>     | <u>9,090,868</u>    | <u>-</u>                |  |
| Total assets                              | <u>910,471</u>           | <u>9,178,265</u>     | <u>10,088,736</u>   | <u>1,476,180</u>        |  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                          |                      |                     |                         |  |
|   | <u>127,376</u>           | <u>25,250</u>        | <u>152,626</u>      | <u>-</u>                |  |
| <b>LIABILITIES</b>                        |                          |                      |                     |                         |  |
| Current liabilities:                      |                          |                      |                     |                         |  |
| Accounts payable and accrued liabilities  | 136,118                  | 37,803               | 173,921             | 313,242                 |  |
| Accrued vacation benefits                 | 4,178                    | 434                  | 4,612               | -                       |  |
| Current portion of long term liabilities  | -                        | 209,239              | 209,239             | -                       |  |
| Total current liabilities                 | <u>140,296</u>           | <u>247,476</u>       | <u>387,772</u>      | <u>313,242</u>          |  |
| Noncurrent liabilities:                   |                          |                      |                     |                         |  |
| Compensated absences                      | 12,535                   | 1,301                | 13,836              | -                       |  |
| Net pension liability                     | 125,368                  | 37,021               | 162,389             | -                       |  |
| Net OPEB liability                        | 112,389                  | 22,921               | 135,310             | -                       |  |
| Long-term debt, non-current portion       | -                        | 2,843,229            | 2,843,229           | -                       |  |
| Total noncurrent liabilities              | <u>250,292</u>           | <u>2,904,472</u>     | <u>3,154,764</u>    | <u>-</u>                |  |
| Total liabilities                         | <u>390,588</u>           | <u>3,151,948</u>     | <u>3,542,536</u>    | <u>313,242</u>          |  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                          |                      |                     |                         |  |
|   | <u>22,186</u>            | <u>4,562</u>         | <u>26,748</u>       | <u>-</u>                |  |
| <b>NET POSITION</b>                       |                          |                      |                     |                         |  |
| Net investment in capital assets          | 382,183                  | 5,656,217            | 6,038,400           | -                       |  |
| Unrestricted                              | 242,890                  | 390,788              | 633,678             | 1,162,938               |  |
| Total net position                        | <u>\$ 625,073</u>        | <u>\$ 6,047,005</u>  | <u>\$ 6,672,078</u> | <u>\$ 1,162,938</u>     |  |

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

**Yadkin County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

|  | Business-Type Activities |                      |              | Governmental          |
|--|--------------------------|----------------------|--------------|-----------------------|
|  | Major                    |                      | Total        | Activities            |
|  | Landfill Fund            | Water and Sewer Fund |              | Internal Service Fund |
| <b>OPERATING REVENUES</b>                        |                          |                      |              |                       |
| Charges for services                             | \$ 2,950,988             | \$ 393,283           | \$ 3,344,271 | \$ 3,397,948          |
| <b>OPERATING EXPENSES</b>                        |                          |                      |              |                       |
| Solid Waste                                      | 2,708,684                | -                    | 2,708,684    | -                     |
| Recycling  | 81,599                   | -                    | 81,599       | -                     |
| Water and Sewer                                  | -                        | 377,008              | 377,008      | -                     |
| Group Insurance                                  | -                        | -                    | -            | 3,496,674             |
| Depreciation and Amortization                    | 12,854                   | 402,016              | 414,870      | -                     |
| Total operating expenses                         | 2,803,137                | 779,024              | 3,582,161    | 3,496,674             |
| Operating income (loss)                          | 147,851                  | (385,741)            | (237,890)    | (98,726)              |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                          |                      |              |                       |
| Solid waste disposal tax                         | 32,385                   | -                    | 32,385       | -                     |
| Grant Revenue                                    | 2,656                    | -                    | 2,656        | -                     |
| Scrap tire disposal tax                          | 70,123                   | -                    | 70,123       | -                     |
| White goods disposal tax                         | 18,393                   | -                    | 18,393       | -                     |
| Total nonoperating revenues (expenses)           | 123,557                  | -                    | 123,557      | -                     |
| Income (loss) before contributions and transfers | 271,408                  | (385,741)            | (114,333)    | (98,726)              |
| Transfer (to)/from other funds                   | 20,000                   | 6,320                | 26,320       | -                     |
| Change in net position                           | 291,408                  | (379,421)            | (88,013)     | (98,726)              |
| Total net position, beginning                    | 305,006                  | 6,426,426            | 6,731,432    | 1,261,664             |
| Prior Period Adjustment (see Note IX)            | 28,659                   | -                    | 28,659       | -                     |
| Total net position, restated                     | 333,665                  | 6,426,426            | 6,760,091    | 1,261,664             |
| Total net position, ending                       | \$ 625,073               | \$ 6,047,005         | \$ 6,672,078 | \$ 1,162,938          |

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

**Yadkin County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

|  | Business-Type Activities |                         |                   | Governmental<br>Activities<br>Internal Service<br>Fund |  |
|--|--------------------------|-------------------------|-------------------|--|--|
|  | Major                    |                         | Total             |  |  |
|  | Landfill<br>Fund         | Water and<br>Sewer Fund |                   |  |  |
| <b>Cash flows from operating activities:</b>                     |                          |                         |                   |  |  |
| Cash received from customers                                     | \$ 2,939,228             | \$ 392,112              | \$ 3,331,340      | \$ 3,397,948   |  |
| Cash paid for goods and services                                 | (2,445,527)              | (291,675)               | (2,737,202)       | (3,509,249)  |  |
| Cash paid to employees for services                              | (318,574)                | (59,351)                | (377,925)         | -  |  |
| Net cash provided (used) by operating activities                 | <u>175,127</u>           | <u>41,086</u>           | <u>216,213</u>    | <u>(111,301)</u>                                       |  |
| <b>Cash flows from noncapital financing activities:</b>          |                          |                         |                   |  |  |
| Intergovernmental non-operating revenues received                | 120,901                  | -                       | 120,901           | -  |  |
| Increase (decrease) in due to other funds                        | (22,545)                 | -                       | (22,545)          | -  |  |
| Transfer from other funds  | 20,000                   | 6,320                   | 26,320            | -  |  |
| Net cash provided (used) by noncapital<br>financing activities   | <u>118,356</u>           | <u>6,320</u>            | <u>124,676</u>    | <u>-</u>   |  |
| <b>Cash flows from capital and related financing activities:</b> |                          |                         |                   |  |  |
| Principal paid on installment debt                               | -                        | (203,139)               | (203,139)         | -  |  |
| Principal paid on lease liability                                | -                        | (5,837)                 | -                 | -  |  |
| Net cash used by capital and related financing activities        | <u>(4,784)</u>           | <u>(208,976)</u>        | <u>(207,923)</u>  | <u>-</u>   |  |
| Net increase (decrease) in cash and cash equivalents             | 288,699                  | (161,570)               | 127,129           | (111,301)  |  |
| Cash and cash equivalents, beginning                             | -                        | 564,250                 | 564,250           | 1,587,481  |  |
| Cash and cash equivalents, ending                                | <u>\$ 288,699</u>        | <u>\$ 402,680</u>       | <u>\$ 691,379</u> | <u>\$ 1,476,180</u>                                    |  |

**Yadkin County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

|   | Business-Type Activities |                      |                   | Governmental Activities |   |
|---|--------------------------|----------------------|-------------------|-------------------------|---|
|   | Major                    |                      |                   |                         |   |
|   | Landfill Fund            | Water and Sewer Fund | Total             | Internal Service Fund   |   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                          |                      |                   |                         |   |
| Operating income (loss)   | \$ 147,851               | \$ (385,741)         | \$ (237,890)      | \$ (98,726)             |   |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                          |                      |                   |                         |   |
| Depreciation  | 12,854                   | 402,016              | 414,870           |                         | - |
| Changes in assets and liabilities:  |                          |                      |                   |                         |   |
| (Increase) decrease in accounts receivable  | 18,499                   | (1,171)              | 17,328            |                         | - |
| (Increase) decrease in due from other government  | (30,259)                 | -                    | (30,259)          |                         | - |
| (Increase) decrease in deferred outflows of resources - pensions                                      | (35,167)                 | (6,484)              | (41,651)          |                         | - |
| (Increase) decrease in deferred outflows of resources - OPEB  | 5,866                    | 1,409                | 7,275             |                         | - |
| Increase (decrease) in accounts payable   | 11,134                   | 23,265               | 34,399            | (12,575)                |   |
| Increase (decrease) in net pension liability  | 90,615                   | 28,715               | 119,330           |                         | - |
| Increase (decrease) in total OPEB liability   | (24,923)                 | (5,083)              | (30,006)          |                         | - |
| Increase (decrease) in deferred inflows of resources - pensions                                       | (43,153)                 | (19,556)             | (62,709)          |                         | - |
| Increase (decrease) in deferred inflows of resources - OPEB   | 17,485                   | 3,566                | 21,051            |                         | - |
| Increase (decrease) in accrued vacation benefits  | 4,325                    | 150                  | 4,475             |                         | - |
| Total adjustments   | <u>27,276</u>            | <u>426,827</u>       | <u>454,103</u>    | <u>(12,575)</u>         |   |
| Net cash provided by (used in) operating activities   | <u>\$ 175,127</u>        | <u>\$ 41,086</u>     | <u>\$ 216,213</u> | <u>\$ (111,301)</u>     |   |

**Yadkin County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

---

|   | Custodial<br>Funds      |
|---|-------------------------|
| <b>ASSETS</b>                                     |                         |
| Cash and cash equivalents                         | \$ 65,038               |
| Taxes receivable from other governments, net      | <u>31,508</u>           |
| Total assets                                      | <u><u>96,546</u></u>    |
| <b>LIABILITIES</b>                                |                         |
| Accounts Payable and accrued liabilities          | -                       |
| Due to other governments                          | <u>40,093</u>           |
| Total liabilities                                 | <u><u>40,093</u></u>    |
| <b>NET POSITION</b>                               |                         |
| Restricted for:                                   |                         |
| Individuals, organizations, and other governments | <u>56,453</u>           |
| Total fiduciary net position                      | <u><u>\$ 56,453</u></u> |

**Yadkin County**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2023**

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|   | <b>Total Custodial<br/>Funds</b> |
|---|----------------------------------|
| <b>ADDITIONS</b>                                  |                                  |
| Ad valorem taxes for other governments            | \$ 944,310                       |
| Collections on behalf of inmates                  | 99,762                           |
| Total additions                                   | <u>1,044,072</u>                 |
| <b>DEDUCTIONS</b>                                 |                                  |
| Tax distributions to other governments            | 947,036                          |
| Payments on behalf of inmates                     | 85,147                           |
| Total deductions                                  | <u>1,032,183</u>                 |
| Net increase (decrease) in fiduciary net position | 11,889                           |
| Net position, beginning                           | <u>44,564</u>                    |
| Net position, ending                              | <u>\$ 56,453</u>                 |

**Yadkin County**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**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.

*Opioid Settlement Fund* - account for resources provided by the government to assist with the Opioid Crisis.

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

The County reports the following major enterprise funds:

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

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

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

The County reports the following fund types:

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization 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 leases and IT subscriptions are reported as other financing sources.

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

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

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

**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Water & Sewer Fund, Landfill Fund, Vehicle Replacement Fund, and as required, for the special revenue funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Projects Fund and Opioid Settlement 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 NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

**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. Additionally, unspent Opioid settlement funds and SCIF grant funds are restricted by the funding source.

| Restricted Cash               | Purpose                        | Amount              |
|-------------------------------|--------------------------------|---------------------|
| Governmental Activities:      |                                |                     |
| Opioid Settlement Fund        | Unexpended Settlement Proceeds | \$ 458,317          |
| Capital Project Fund          | Unspent Grant Proceeds (SCIF)  | 1,500,000           |
| Total Governmental Activities |                                | <u>1,958,317</u>    |
| Total Restricted Cash         |                                | <u>\$ 1,958,317</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, 2022. 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.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the county is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

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 at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

|                                 | <b>Years</b> |
|---------------------------------|--------------|
| 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. Deferred outflows/inflows of resources**

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

## **10. 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.

## **11. 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 transferred to 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.

## **12. 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 \$330,263 as part of this settlement in Fiscal Year 2023. 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. \$11,037 have been expended as of June 30, 2023. 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.

## **13. 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.

## **14. 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 fund balance at June 30, 2023 is as follows:

| <b>Purpose</b>                 | <b>Other</b>        |                              |                           |
|--------------------------------|---------------------|------------------------------|---------------------------|
|                                | <b>General Fund</b> | <b>Capital Projects Fund</b> | <b>Governmental Funds</b> |
| Restricted, all other:         |                     |                              |                           |
| Stabilization by State Statute | \$ 4,266,336        | \$ -                         | \$ -                      |
| Human Services                 | -                   | -                            | 16,153                    |
| Public Safety                  | -                   | -                            | 972,321                   |
| <b>Total</b>                   | <b>\$ 4,266,336</b> | <b>\$ -</b>                  | <b>\$ 988,474</b>         |

**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 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, 2023 is as follows:

| <b>Purpose</b>        | <b>General</b>      | <b>Capital</b>       | <b>Governmental</b> | <b>Nonmajor</b> |
|-----------------------|---------------------|----------------------|---------------------|-----------------|
|                       | <b>Fund</b>         | <b>Projects Fund</b> | <b>Fund</b>         |                 |
| Committed, all other: |                     |                      |                     |                 |
| County Future Capital | \$ 177,684          | \$ 8,524,000         | \$ 316,451          |                 |
| Public Safety         | 1,278,000           | -                    | -                   |                 |
| Grant Match           | 343,751             | -                    | -                   |                 |
| Childcare Project     | 250,000             | -                    | -                   |                 |
| School Future Capital | 483,996             | -                    | -                   |                 |
| <b>Total</b>          | <b>\$ 2,533,431</b> | <b>\$ 8,524,000</b>  | <b>\$ 316,451</b>   |                 |

**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                | \$ 22,855,747        |
| Less:  |                      |
| Nonspendable                                     | (2,592)              |
| Stabilization by State Statute                   | (4,266,336)          |
| Fund Balance available for appropriation         | <u>\$ 18,586,819</u> |
| Available fund balance as a % of GF Expenditures | 37.94%               |

The County had no outstanding encumbrances as of June 30, 2023.

## **15. 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.

## **16. Estimates**

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

**NOTE II: Stewardship, Compliance and Accountability**

**Excess of Expenditures Over Appropriations**

None Noted.

**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, 2023 the County's deposits had a carrying amount of \$21,485,131 and a bank balance of \$22,216,397. Of the carrying amount, \$4,350 was cash on hand. Of the bank balance, \$250,000 was covered by federal depository insurance; the remaining \$21,966,397 was covered by collateral and held under the Pooling Method.

At June 30, 2023 the Tourism Development Authority's deposits had a carrying amount of \$97,722. The TDA does not maintain a separate bank account, but is part of the County's central depository account.

**Investments**

As of June 30, 2023, 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         | \$ 12,361,476 | \$ 12,361,476      | \$ -          | \$ -        |

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 as of June 30, 2023.

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 AAA by Standard & Poor's as of June 30, 2023.

#### **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        | \$ 3,058,129         | \$ 1,001,537        | \$ 4,059,666         |
| 2020        | 3,068,479            | 728,764             | 3,797,243            |
| 2021        | 3,078,930            | 454,142             | 3,533,072            |
| 2022        | 3,090,934            | 177,729             | 3,268,663            |
| Total       | <u>\$ 12,296,472</u> | <u>\$ 2,362,172</u> | <u>\$ 14,658,644</u> |

## Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

|                                      | Accounts            | Taxes             | Interest Receivable | Due From Other Governments | Total               |
|--------------------------------------|---------------------|-------------------|---------------------|----------------------------|---------------------|
| <b>Governmental activities:</b>      |                     |                   |                     |                            |                     |
| Ad valorem taxes                     | \$ -                | \$ 1,157,510      | \$ 184              | \$ -                       | \$ 1,157,694        |
| Allowance for doubtful accounts      | -                   | (722,870)         | -                   | -                          | (722,870)           |
| Ad valorem taxes, net                | -                   | 434,640           | 184                 | -                          | 434,824             |
| Fire district taxes                  | -                   | 124,313           | -                   | -                          | 124,313             |
| Allowance for doubtful accounts      | -                   | (78,019)          | -                   | -                          | (78,019)            |
| Fire district taxes, net             | -                   | 46,294            | -                   | -                          | 46,294              |
| Local option sales tax               | -                   | -                 | -                   | 2,819,625                  | 2,819,625           |
| Accounts receivable                  | 665,639             | -                 | -                   | -                          | 665,639             |
| Sales tax refund                     | -                   | -                 | -                   | 195,401                    | 195,401             |
| Other accounts receivable            | 1,152,532           | -                 | -                   | -                          | 1,152,532           |
| Allowance for doubtful accounts      | (200,044)           | -                 | -                   | -                          | (200,044)           |
| <b>Total governmental activities</b> | <b>\$ 1,618,127</b> | <b>\$ 480,934</b> | <b>\$ 184</b>       | <b>\$ 3,015,026</b>        | <b>\$ 5,114,271</b> |

|                                       | Accounts          | Taxes       | Interest Receivable | Due From Other Governments | Total             |
|---------------------------------------|-------------------|-------------|---------------------|----------------------------|-------------------|
| <b>Business-type activities:</b>      |                   |             |                     |                            |                   |
| Landfill                              | \$ 315,364        | \$ -        | \$ -                | \$ 30,259                  | \$ 345,623        |
| Allowance for doubtful accounts       | (106,034)         | -           | -                   | -                          | (106,034)         |
| Total Landfill                        | 209,330           | -           | -                   | 30,259                     | 239,589           |
| Water & Sewer                         | 45,434            | -           | -                   | -                          | 45,434            |
| <b>Total business-type activities</b> | <b>\$ 254,764</b> | <b>\$ -</b> | <b>\$ -</b>         | <b>\$ 30,259</b>           | <b>\$ 285,023</b> |

## Leases Receivable

On 07/01/2021, the County 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 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$654. The lease has an interest rate of 5.925%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and County of Yadkin recognized lease revenue of \$6,605 during the fiscal year.

On 08/01/2021, the County 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 06/30/2023, the value of the lease receivable is \$2,135. The lessee is required to make monthly fixed payments of \$172. The lease has an interest rate of 7.505%. The value of the deferred inflow of resources as of 06/30/2023 was \$2,003, and the County recognized lease revenue of \$2,238 during the fiscal year.

On 07/01/2021, the County 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 \$54,454. As of 06/30/2023, the value of the lease receivable of \$27,948. The lessee is required to make monthly fixed payments of \$1,200. The lease has an interest rate of 2.9%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,227, and the County recognized lease revenue of \$13,614 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On 07/18/2022, the County entered into a 24 month lease as Lessor for the use of Medical Office - PQA Healthcare. An initial lease receivable was recorded in the amount of \$16,992. As of 06/30/2023, the value of the lease receivable is \$9,363. The lessee is required to make monthly fixed payments of \$740. The lease has an interest rate of 4.661%. The value of the deferred inflow of resources as of 06/30/2023 was \$9,204, and the County recognized lease revenue of \$7,788 during the fiscal year.

On 06/1/2016, the County entered into a 120 month lease as Lessor for the use of Agricultural Building- office space. An initial lease receivable as of 07/01/2021 was recorded in the amount of \$201,879. As of 06/30/2023, the value of the lease receivable is \$122,914. The lessee is required to make monthly fixed payments of \$3,667. The lease has an interest rate of 2.9%. The value of the deferred inflow of resources as of 06/30/2023 was \$119,759 and the County recognized lease revenue of \$41,060 during the fiscal year.

On 08/17/2021, the County entered into a 36 month lease as Lessor for the use of Yadkin Hospital-Medical Office. An initial lease receivable was recorded at \$68,367. As of 06/30/2023, the value of the lease receivable is \$28,454.24. The lessee is required to make monthly fixed payments of \$1934. The lease has an interest rate of 2.9%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,716, and the County recognized lease revenue of \$22,173 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

#### Principal and Interest Expected to Maturity

| <u>Governmental Activities</u> |                   |                 |                   |  |
|--------------------------------|-------------------|-----------------|-------------------|--|
| Fiscal Year                    | Principal         | Interest        | Total             |  |
| 2024                           | \$ 88,020         | \$ 4,524        | \$ 92,544         |  |
| 2025                           | 63,039            | 2,074           | 65,113            |  |
| 2026                           | 39,755            | 579             | 40,334            |  |
|                                | <u>\$ 190,814</u> | <u>\$ 7,177</u> | <u>\$ 197,991</u> |  |

The Tourism Development Authority's receivables consists of occupancy taxes from local hotels of \$4,872. 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, 2023, was as follows:

|  | Beginning<br>Balance | Increases           | Decreases             | Ending<br>Balance    |
|--|----------------------|---------------------|-----------------------|----------------------|
| <b>Governmental activities:</b>              |                      |                     |                       |                      |
| <b>Capital assets not being depreciated:</b> |                      |                     |                       |                      |
| Land   | \$ 5,901,653         | \$ 449,671          | \$ -                  | \$ 6,351,324         |
| Construction in Progress                     | 5,086,731            | 265,276             | (4,300,466)           | 1,051,541            |
| Total capital assets not depreciated         | <u>10,988,384</u>    | <u>714,947</u>      | <u>(4,300,466)</u>    | <u>7,402,865</u>     |
| <b>Capital assets being depreciated:</b>     |                      |                     |                       |                      |
| Buildings and improvements                   | 55,768,840           | 4,726,751           | -                     | 60,495,591           |
| Furniture and equipment, software            | 5,107,606            | 30,605              | -                     | 5,138,211            |
| Vehicles and motor equipment                 | 4,922,809            | 450,164             | (415,781)             | 4,957,192            |
| Total capital assets being depreciated       | <u>65,799,255</u>    | <u>5,207,520</u>    | <u>(415,781)</u>      | <u>70,590,994</u>    |
| <b>Less accumulated depreciation for:</b>    |                      |                     |                       |                      |
| Buildings and improvements                   | 15,284,390           | 1,306,762           | -                     | 16,591,152           |
| Furniture and equipment, software            | 3,896,827            | 287,655             | -                     | 4,184,482            |
| Vehicles and motor equipment                 | 3,710,996            | 440,292             | (395,342)             | 3,755,946            |
| Total accumulated depreciation               | <u>22,892,213</u>    | <u>2,034,709</u>    | <u>(395,342)</u>      | <u>24,531,580</u>    |
| Total capital assets being depreciated, net  | <u>42,907,042</u>    | <u>3,172,811</u>    | <u>(20,439)</u>       | <u>46,059,414</u>    |
| <b>Capital assets being amortized:</b>       |                      |                     |                       |                      |
| Leased vehicles                              | 162,023              | 94,742              | -                     | 256,765              |
| Leased equipment                             | 234,840              | 3,269,964           | -                     | 3,504,804            |
| Leased building                              | -                    | 255,735             | -                     | 255,735              |
| IT subscriptions                             | 101,018              | 197,363             | -                     | 298,381              |
| Total capital assets being depreciated       | <u>497,881</u>       | <u>3,817,804</u>    | <u>-</u>              | <u>4,315,685</u>     |
| <b>Less accumulated amortization for:</b>    |                      |                     |                       |                      |
| Leased vehicles                              | 46,910               | 51,635              | -                     | 98,545               |
| Leased equipment                             | 34,852               | 89,221              | -                     | 124,073              |
| Leased building                              | -                    | 56,764              | -                     | 56,764               |
| IT subscriptions                             | -                    | 115,859             | -                     | 115,859              |
| Total accumulated amortization               | <u>81,762</u>        | <u>313,479</u>      | <u>-</u>              | <u>395,241</u>       |
| Total capital assets being amortized, net    | <u>416,119</u>       | <u>3,504,325</u>    | <u>-</u>              | <u>3,920,444</u>     |
| Governmental activity capital assets, net    | <u>\$ 54,311,545</u> | <u>\$ 7,392,083</u> | <u>\$ (4,320,905)</u> | <u>\$ 57,382,723</u> |

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

|                                   |                     |
|-----------------------------------|---------------------|
| Governmental Activities:          |                     |
| General government                | \$ 1,392,275        |
| Public Safety                     | 618,665             |
| Economic and physical development | 183,614             |
| Human services                    | 69,512              |
| Cultural and recreation           | 84,122              |
| Total depreciation expense        | <u>\$ 2,348,188</u> |

|   | Beginning<br>Balance | Increases           | Decreases   | Ending<br>Balance   |
|---|----------------------|---------------------|-------------|---------------------|
| <b>Business-type activities:</b>                    |                      |                     |             |                     |
| <b>Landfill:</b>                                    |                      |                     |             |                     |
| 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                    | 244,446              | 7,440               | -           | 251,886             |
| Total capital assets being depreciated              | 829,985              | 7,440               | -           | 837,425             |
| Less accumulated depreciation for:                  |                      |                     |             |                     |
| Buildings   | 303,620              | 2,368               | -           | 305,988             |
| Land improvements                                   | 226,641              | 2,437               | -           | 229,078             |
| Furniture and moveable equipment                    | 190,589              | 8,049               | -           | 198,638             |
| Total accumulated depreciation                      | 720,850              | 12,854              | -           | 733,704             |
| Total capital assets being depreciated, net         | 109,135              | (5,414)             | -           | 103,721             |
| Landfill capital assets, net                        | \$ 387,597           | \$ (5,414)          | \$ -        | \$ 382,183          |
| <b>Water and Sewer:</b>                             |                      |                     |             |                     |
| Capital assets being depreciated:                   |                      |                     |             |                     |
| Sewer lines   | \$ 3,799,599         | \$ -                | \$ -        | \$ 3,799,599        |
| Water lines   | 10,050,205           | -                   | -           | 10,050,205          |
| Total capital assets being depreciated              | 13,849,804           | -                   | -           | 13,849,804          |
| Less accumulated depreciation for:                  |                      |                     |             |                     |
| Sewer lines   | 1,586,255            | 94,990              | -           | 1,681,245           |
| Water lines   | 3,164,034            | 300,925             | -           | 3,464,959           |
| Total accumulated depreciation                      | 4,750,289            | 395,915             | -           | 5,146,204           |
| Total depreciable capital assets, net               | 9,099,515            | (395,915)           | -           | 8,703,600           |
| Capital assets being amortized:                     |                      |                     |             |                     |
| Leased vehicles                                     | 17,285               | -                   | -           | 17,285              |
| Total capital assets being amortized                | 17,285               | -                   | -           | 17,285              |
| Less accumulated amortization for:                  |                      |                     |             |                     |
| Leased vehicles                                     | 6,100                | 6,100               | -           | 12,200              |
| Total accumulated amortization                      | 6,100                | 6,100               | -           | 12,200              |
| Total capital assets being amortized, net           | 11,185               | (6,100)             | -           | 5,085               |
| Water and sewer capital assets, net                 | 9,110,700            | (402,015)           | -           | 8,708,685           |
| <b>Business-type activities capital assets, net</b> | <b>\$ 9,498,297</b>  | <b>\$ (407,429)</b> | <b>\$ -</b> | <b>\$ 9,090,868</b> |

### **Construction Commitments**

The government has active construction projects as of June 30, 2023. The projects and amounts expended to date are as follows:

|   | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|---|----------------------|-----------------------------|
| <b>Governmental Capital Projects</b>    |                      |                             |
| Yadkin County Public Facilities Project | \$ 195,858           | \$ 7,104,142                |
| Watershed Rehabilitation Planning       | 855,684              | 41,876                      |
| Total                                   | <u>\$ 1,051,542</u>  | <u>\$ 7,146,018</u>         |

### **Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2023 is composed of the following elements:

|   | <b>Governmental Activities</b> | <b>Business-Type Activities</b> |
|---|--------------------------------|---------------------------------|
| Capital Assets                                    | \$ 57,382,723                  | \$ 9,090,868                    |
| Long-term debt                                    | (16,657,464)                   | (3,052,468)                     |
| Long-term debt for assets not owned by the County | 7,750,000                      | -                               |
| Net investment in capital assets                  | <u>\$ 48,475,259</u>           | <u>\$ 6,038,400</u>             |

## **B. Liabilities**

### **Accounts Payable**

Accounts payable at Exhibit 1 at June 30, 2023 were as follows:

|                                  | Vendors           | Accrued Salaries  | Accrued Interest | But Not Reported  | Insurance Claims Incurred | Total |
|----------------------------------|-------------------|-------------------|------------------|-------------------|---------------------------|-------|
| <b>Governmental activities:</b>  |                   |                   |                  |                   |                           |       |
| General                          | \$ 860,852        | \$ 390,578        | \$ 58,882        | \$ -              | \$ 1,310,312              |       |
| Other Governmental               | 36,550            | -                 | -                | -                 | 36,550                    |       |
| Internal Service Fund            | -                 | -                 | -                | 313,242           | 313,242                   |       |
| Total governmental activities    | <u>\$ 897,402</u> | <u>\$ 390,578</u> | <u>\$ 58,882</u> | <u>\$ 313,242</u> | <u>\$ 1,660,104</u>       |       |
| <b>Business-type activities:</b> |                   |                   |                  |                   |                           |       |
| Landfill                         | \$ 124,372        | \$ 11,746         | \$ -             | \$ -              | \$ 136,118                |       |
| Water & Sewer                    | 35,332            | 2,471             | -                | -                 | 37,803                    |       |
| Total business-type activities   | <u>\$ 159,704</u> | <u>\$ 14,217</u>  | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 173,921</u>         |       |

## **Pension Plan Obligations and Other Postemployment Obligations**

### **Local Governmental Employees' Retirement System**

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

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic 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, 2023, was 13.04% of compensation for law enforcement officers and 12.15% 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 \$1,575,281 for the year ended June 30, 2023.

*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, 2023, the County reported a liability of \$8,530,403 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was 0.15121%, which was an increase of 0.00372% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$2,361,661. At June 30, 2023 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 367,567                           | \$ 36,038                           |
| Changes of assumptions  | 851,143                              | -                                   |
| Net difference between projected and actual earnings on pension plan investments                            | 2,819,388                            | -                                   |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 98,602                               | 142,071                             |
| County contributions subsequent to the measurement date   | 1,575,281                            | -                                   |
| <b>Total</b>  | <b>\$ 5,711,981</b>                  | <b>\$ 178,109</b>                   |

\$1,575,281 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

|              |                     |
|--------------|---------------------|
| 2024         | \$ 1,215,841        |
| 2025         | 1,049,297           |
| 2026         | 350,244             |
| 2027         | 1,343,209           |
| Thereafter   | -                   |
| <b>Total</b> | <b>\$ 3,958,591</b> |

Actuarial Assumptions. The total pension liability in the December 31, 2021 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, 2021 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         | 33%                      | 9.0%  |
| Global Equity        | 38%                      | 6.5%  |
| Real Estate          | 8%                       | 5.9%  |
| Alternatives         | 8%                       | 9.2%  |
| Credit               | 7%                       | 5.0%  |
| Inflation Protection | 6%                       | 2.7%  |

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. 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><br><u>Decrease</u><br>(5.50%) | <u>Discount</u><br><u>Rate</u><br>(6.50%) | <u>1%</u><br><u>Increase</u><br>(7.50%) |
|---|---|---|---|
| County's proportionate share of the net pension liability (asset) | \$ 15,396,279                           | \$ 8,530,403                              | \$ 2,872,523                            |

*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, 2022 the Separation Allowance membership consisted of:

|                             |                  |
|-----------------------------|------------------|
| Retirees receiving benefits | 3                |
| Active plan members         | 37               |
| Total                       | <u><u>40</u></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 GASB Statement 73.

#### **Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2022 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    | 4.05 percent   |

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

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

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

**Deaths After Retirement (Beneficiary):** Mortality rates are base on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

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

#### Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$35,165 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, 2023, the County reported a total pension liability of \$715,191. The total pension liability was measured as of December 31, 2022 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$35,238.

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 70,682                            | \$ 154,510                       |
| Changes of assumptions and other inputs   | 122,462                              | 119,389                          |
| County benefit payments and plan administrative expense made subsequent to the measurement date |                                      |                                  |
|   | 35,793                               | -                                |
| Total   | \$ 228,937                           | \$ 273,899                       |

\$35,793 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### **Year ended June 30:**

|            |            |
|------------|------------|
| 2024       | \$ (9,403) |
| 2025       | (1,364)    |
| 2026       | 10,312     |
| 2027       | (50,841)   |
| 2028       | (29,459)   |
| 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 4.05%, 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 (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

|                         | 1% Decrease<br>(3.05%) | Discount Rate<br>(4.05%) | 1% Increase<br>(5.05%) |
|-------------------------|------------------------|--------------------------|------------------------|
| Total pension liability | \$ 759,587             | \$ 715,191               | \$ 641,164             |

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

|  | <b>2023</b>       |
|--|-------------------|
| Beginning balance  | \$ 956,678        |
| Service Cost   | 49,287            |
| Interest on the total pension liability                      | 19,345            |
| experience in the measurement of the total pension liability | (140,317)         |
| Changes in assumptions or other inputs                       | (134,637)         |
| Benefit payments   | (35,165)          |
| Ending balance of the total pension liability                | <u>\$ 715,191</u> |

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.06 percent at June 30, 2022 (reporting date) to 4.05 percent at June 30, 2023 (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 June 30, 2022 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 \$104,525 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](http://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 \$2,922 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$39,633 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 0.29934%, which was an increase of 0.02968% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$6,732. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                               | \$ 305                               | \$ 718                              |
| Changes of assumptions   | 2,098                                | -                                   |
| Net difference between projected and actual earnings on pension plan investments | 16,473                               | -                                   |
| Changes in proportion and differences between County                             | 1,789                                | 4,062                               |
| Contributions and proportionate share of contributions                           |                                      |                                     |
| County contributions subsequent to the measurement date                          | 2,922                                | -                                   |
| Total  | <u>\$ 23,587</u>                     | <u>\$ 4,780</u>                     |

\$2,922 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

|            |                  |
|------------|------------------|
| 2024       | \$ 4,640         |
| 2025       | 1,618            |
| 2026       | 5,484            |
| 2027       | 4,143            |
| 2028       | -                |
| Thereafter | -                |
|            | <b>\$ 15,885</b> |

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 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, 2021 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, 2023 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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%<br>Decrease<br>(2.00%) | Discount<br>Rate<br>(3.00%) | 1%<br>Increase<br>(4.00%) |
|---|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of the net pension liability (asset) | \$ (45,682)               | \$ 39,633                   | \$ (67,453)               |

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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021. 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) | \$ 8,530,403 | \$ (39,633) | \$ -       | \$ 8,490,770 |
| Proportion of the Net Pension Liability (Asset)      | 0.1512%      | 0.2993%     | n/a        |              |
| Total Pension Liability                              | \$ -         | \$ -        | \$ 715,191 | \$ 715,191   |
| Pension Expense (Revenue)                            | \$ 2,361,661 | \$ 6,732    | \$ 35,238  | \$ 2,403,631 |

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | LGERS      | ROD    | LEOSSA     | Total      |
|---|------------|--------|------------|------------|
| <b><u>Deferred Outflows of Resources</u></b>  |            |        |            |            |
| Differences between expected and actual experience  | \$ 367,567 | \$ 305 | \$ 70,682  | \$ 438,554 |
| Changes of assumptions  | 851,143    | 2,098  | 122,462    | 975,703    |
| Net difference between projected and actual earnings on pension plan investments  | 2,819,388  | 16,473 | -          | 2,835,861  |
| Change in proportion and differences between County contributions and proportionate share of contributions              | 98,602     | 1,789  | -          | 100,391    |
| County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date | 1,575,281  | 2,922  | 35,793     | 1,613,996  |
| <b><u>Deferred Inflows of Resources</u></b>   |            |        |            |            |
| Difference between expected and actual experience   | \$ 36,038  | \$ 718 | \$ 154,510 | \$ 191,266 |
| Changes of assumptions  | -          | -      | 119,389    | 119,389    |
| Net difference between projected and actual earnings on pension plan investments  | -          | -      | -          | -          |
| Changes in proportion and differences between County contributions and proportionate share of contributions             | 142,071    | 4,062  | -          | 146,133    |

#### **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, 2022, the date of the latest actuarial valuation:

|  | Employees  |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 35         |
| Inactive Members Entitled to But Not Yet Receiving Benefits      | -          |
| Active Employees   | 208        |
| <b>Total</b>   | <b>243</b> |

## Total OPEB Liability

The County's total OPEB liability of \$9,604,674 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 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            | 3.3 - 8.3 percent, average, including inflation                |
| Discount rate               | 3.69 percent   |
| Healthcare cost trend rates | 7.50% for 2022 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

|  | <b>Total</b><br><b>OPEB Liability</b> |
|--|---------------------------------------|
| <b>Balance at July 1, 2021</b>                     | <b>\$ 9,069,949</b>                   |
| <b>Changes for the year</b>                        |                                       |
| Service cost                                       | 368,611                               |
| Interest   | 188,617                               |
| Changes of benefit terms                           | (122,489)                             |
| Differences between expected and actual experience | (416,420)                             |
| Changes in assumptions or other inputs             | (989,209)                             |
| Benefit payments                                   | <u>(675,355)</u>                      |
| <b>Net Changes</b>                                 | <b>\$ (1,646,245)</b>                 |
| <b>Balance at June 30, 2022</b>                    | <b><u>\$ 7,423,704</u></b>            |

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.69%.

Mortality rates were based on the PUB-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2022 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 (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

|                      | 1% Decrease  | Discount Rate | 1% Increase  |
|----------------------|--------------|---------------|--------------|
|                      | (2.69%)      | (3.69%)       | (4.69%)      |
| Total OPEB Liability | \$ 8,066,067 | \$ 7,423,704  | \$ 6,851,141 |

*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 | \$ 6,711,690 | \$ 7,423,704 | \$ 8,269,963 |

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

For the year ended June 30, 2023 the County recognized OPEB expense of \$248,905. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                   | \$ 1,009,324                         | \$ 386,277                          |
| Changes of assumptions   | 877,392                              | 895,222                             |
| Benefit payments and administrative costs made<br>subsequent to the measurement date | 349,898                              | -                                   |
| <b>Total</b>   | <b>\$ 2,236,614</b>                  | <b>\$ 1,281,499</b>                 |

\$349,898 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### **Year ended June 30:**

|            |            |
|------------|------------|
| 2024       | \$ 205,471 |
| 2025       | 268,759    |
| 2026       | 268,759    |
| 2027       | 115,115    |
| 2028       | (11,023)   |
| Thereafter | (241,864)  |

#### **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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Pensions, OPEB - difference between expected and actual experience:  |                                      |                                     |
| LGERS  | \$ 367,567                           | \$ 36,038                           |
| Register of Deeds  | 305                                  | 718                                 |
| LEOSSA   | 70,682                               | 154,510                             |
| OPEB   | 1,009,324                            | 386,277                             |
| Changes of assumptions   |                                      |                                     |
| LGERS  | 851,143                              | -                                   |
| Register of Deeds  | 2,098                                | -                                   |
| LEOSSA   | 122,462                              | 119,389                             |
| OPEB   | 877,392                              | 895,222                             |
| Pensions, OPEB - difference between projected and actual investment earnings   |                                      |                                     |
| LGERS  | 2,819,388                            | -                                   |
| Register of Deeds  | 16,473                               | -                                   |
| Pensions, OPEB - change in proportion and difference between employer contributions and proportionate share of contributions |                                      |                                     |
| LGERS  | 98,602                               | 142,071                             |
| Register of Deeds  | 1,789                                | 4,062                               |
| Contributions to pension plan  |                                      |                                     |
| LGERS  | 1,575,281                            | -                                   |
| Register of Deeds  | 2,922                                | -                                   |
| LEOSSA   | 35,793                               | -                                   |
| Benefit payments for the OPEB plan paid subsequent to measurement date   | 349,898                              | -                                   |
| Leases (General)   | -                                    | 264,006                             |
| Prepaid taxes not yet earned (General)   | -                                    | -                                   |
| Taxes receivable, net (General)  | -                                    | 423,257                             |
| Taxes receivable, net (Special Revenue)  | -                                    | 46,294                              |
| EMS receivable (General)   | -                                    | 421,609                             |
| Health receivable (General)  | -                                    | 905                                 |
| <b>Total</b>   | <b>\$ 8,201,119</b>                  | <b>\$ 2,894,358</b>                 |

**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 Finance Officer is individually bonded for \$1,000,000 and the Tax Collector is 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:

|                          | <b>2023</b>       | <b>2022</b>       |
|--------------------------|-------------------|-------------------|
| Unpaid claims, beginning | \$ 325,817        | \$ 256,801        |
| Incurred claims          | 3,061,414         | 2,811,673         |
| Claim payments           | (3,073,989)       | (2,742,657)       |
| Unpaid claims, ending    | <u>\$ 313,242</u> | <u>\$ 325,817</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 (2019 Ford F250). An initial lease liability was recorded in the amount of \$17,130. As of 06/30/2023, the value of the lease liability is \$5,008. The County is required to make monthly fixed payments of \$572. The lease has an interest rate of 6.5%. The value of the right to use asset as of 06/30/2023 of \$17,130 with accumulated amortization of \$12,405 is included with Leased Vehicles on the Capital Assets 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 (2019 Ram 1500). An initial lease liability was recorded in the amount of \$14,940. As of 06/30/2023, the value of the lease liability is \$4,241. The County is required to make monthly fixed payments of \$485. The lease has an interest rate of 7%. The value of the right to use asset as of 06/30/2023 of \$14,940 with accumulated amortization of \$10,644 is included with Leased Vehicles on the Capital Assets 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 (2019 Ram 1500). An initial lease liability was recorded in the amount of \$13,206. As of 06/30/2023, the value of the lease liability is \$4,967. The County is required to make monthly fixed payments of \$399. The lease has an interest rate of 7.65%. The value of the right to use asset as of 06/30/2023 of \$13,206 with accumulated amortization of \$8,803 is included with Leased Vehicles on the Capital Assets 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 (2019 Hyundai Elantra). An initial lease liability was recorded in the amount of \$8,950. As of 06/30/2023, the value of the lease liability is \$2,774. The County is required to make monthly fixed payments of \$319. The lease has an interest rate of 8.5%. The value of the right to use asset as of 06/30/2023 of \$8,950 with accumulated amortization of \$6,592 is included with Leased Vehicles on the Capital Assets 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 (2019 RAM 1500). An initial lease liability was recorded in the amount of \$15,912. As of 06/30/2023, the value of the lease liability is \$4,618. The County is required to make monthly fixed payments of \$528. The lease has an interest rate of 7%. The value of the right to use asset as of 06/30/2023 of \$15,912 with accumulated amortization of \$11,574 is included with Leased Vehicles on the Capital Assets 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 (2019 Chevy Silverado 3500HD). An initial lease liability was recorded in the amount of \$30,058. As of 06/30/2023, the value of the lease liability is \$11,757. The County is required to make monthly fixed payments of \$876. The lease has an interest rate of 6.8%. The value of the right to use asset as of 06/30/2023 of \$30,058 with accumulated amortization of \$18,991 is included with Leased Vehicles on the Capital Assets 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 (2020 Dodge Journey). An initial lease liability was recorded in the amount of \$25,249. As of 06/30/2023, the value of the lease liability is \$15,626. The County is required to make monthly fixed payments of \$503. The lease has an interest rate of 6.25%. The value of the right to use asset as of 06/30/2023 of \$25,249 with accumulated amortization of \$10,456 is included with Leased Vehicles on the Capital Assets 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 (2021 Ford Police Interceptor Utility). An initial lease liability was recorded in the amount of \$36,578. As of 06/30/2023, the value of the lease liability is \$22,470. The County is required to make monthly fixed payments of \$618. The lease has an interest rate of 1.1139%. The value of the right to use asset as of 06/30/2023 of \$36,578 with accumulated amortization of \$14,344 is included with Leased Vehicles on the Capital Assets Schedule. The lease has a guaranteed residual value payment of \$3,514.

On 12/01/2021, County entered into a 60 month lease as Lessee for the use of Copier - Sharp Systems-500-50335399. An initial lease liability was recorded in the amount of \$188,246. As of 06/30/2023, the value of the lease liability is \$130,536. The County is required to make monthly fixed payments of \$3,165. The lease has an interest rate of 1.0112%. The value of the right to use asset as of 06/30/2023 of \$188,246 with accumulated amortization of \$58,634 is included with Leased Equipment on the Capital Assets 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 06/30/2023, the value of the lease liability is \$8,953. The County is required to make monthly fixed payments of \$390. 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 06/30/2023 of \$16,100 with accumulated amortization of \$7,750 is included with Leased Equipment on the Capital Assets 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 06/30/2023, the value of the lease liability is \$14,271. The County is required to make monthly fixed payments of \$739. The lease has an interest rate of 4%. The value of the right to use asset as of 06/30/2023 of \$30,494 with accumulated amortization of \$16,726 is included with Leased Equipment on the Capital Assets Schedule.

On 11/01/2022, the County entered into a 50 month lease as Lessee for the use of Sharp Printer - Sheriff's Office. An initial lease liability was recorded in the amount of \$79,886. As of 06/30/2023, the value of the lease liability is \$66,058. The County is required to make monthly fixed payments of \$1,604. The lease has an interest rate of 1.0112%. The value of the right to use asset as of 06/30/2023 of \$79,886 with accumulated amortization of \$14,379 is included with Leased Equipment on the Capital Asset Schedule.

On 07/01/2022, the County entered into a 3 year lease as Lessee for the use of Medical Clinic-Office space. An initial lease liability was recorded in the amount of \$80,602. As of 06/30/2023, the value of the lease liability is \$53,610. The County is required to make yearly fixed payments of \$2,400. The lease has an interest rate of 2.94%. The value of the right to use asset as of 06/30/2023 of \$80,602 with accumulated amortization of \$27,635 is included as Leased Buildings on the Capital Assets Schedule.

On 01/01/2023, the County entered into a 3 year lease as Lessee for the use of Pioneer Building-Office space. An initial lease liability was recorded in the amount of \$175,133. As of 06/30/2023, the value of the lease liability is \$146,645. The County is required to make monthly fixed payments of \$5,076. The lease has an interest rate of 2.94%. The value of the right to use asset as of 06/30/2023 of \$175,133 with accumulated amortization of \$29,129 is included with Leased Buildings on the Capital Assets Schedule.

On 03/17/2023, the County entered into a 60 month lease as Lessee for the use of Vehicle - 25WC7F (2023 Chevy Silverado). An initial lease liability was recorded in the amount of \$41,674. As of 06/30/2023, the value of the lease liability is \$39,982. The County is required to make monthly fixed payments of \$855. The lease has an interest rate of 8.5%. The value of the right to use asset as of 06/30/2023 of \$43,269 with accumulated amortization of \$2,163 is included with Leased Vehicles on the Capital Assets Schedule. The lease has a guaranteed residual value payment of \$3,751.

On 03/09/2023, the County entered into a 60 month lease as Lessee for the use of Vehicle - 26GLGC (2023 Dodge Ram 2500). An initial lease liability was recorded in the amount of \$48,850. As of 06/30/2023, the value of the lease liability is \$46,867. The County is required to make monthly fixed payments of \$1,002. The lease has an interest rate of 8.5%. The value of the right to use asset as of 06/30/2023 of \$51,473 with accumulated amortization of \$2,574 is included with Leased Vehicles on the Capital Assets Schedule. The lease has a guaranteed residual value payment of \$4,461.

On 05/1/2023, the County entered into a 10 year lease as Lessee for the use of Stryker Flex-equipment lease. An initial lease liability was recorded in the amount of \$3,190,078. As of 06/30/2023, the value of the lease liability is \$2,828,495. The County is required to make yearly fixed payments of \$361,583. The lease has an interest rate of 1.0112%. The value of the right to use asset as of 06/30/2023 of \$3,190,078 with accumulated amortization of \$26,584 is included with Leased Equipment on the Capital Assets Schedule.

#### Enterprise Funds

On 07/01/2021, the County entered into a 34 month lease as Lessee for the use of Vehicle - 22ZLKP (2019 Chevy Silverado 1500). An initial lease liability was recorded in the amount of \$17,285. As of 06/30/2023, the value of the lease liability is \$5,387. The County is required to make monthly fixed payments of \$554.85. The lease has an interest rate of 6.49%. The value of the right to use asset as of 06/30/2023 of \$17,285 with accumulated amortization of \$12,200 is included with Leased Vehicles on the Capital Outlay 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, 2023 are:

| Year Ending<br>June 30 | Governmental Activities |            | Business-Type Activities |          |
|------------------------|-------------------------|------------|--------------------------|----------|
|                        | Principal               | Interest   | Principal                | Interest |
| 2024                   | \$ 491,658              | \$ 98,582  | \$ 5,387                 | \$ 162   |
| 2025                   | 470,880                 | 83,715     | -                        | -        |
| 2026                   | 413,807                 | 70,575     | -                        | -        |
| 2027                   | 353,895                 | 59,204     | -                        | -        |
| 2028                   | 329,381                 | 48,737     | -                        | -        |
| 2029-2033              | 1,347,258               | 99,072     |                          |          |
| Total                  | \$ 3,406,879            | \$ 459,885 | \$ 5,387                 | \$ 162   |

### **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 year ending June 30, 2008 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.

\$ 7,750,000

\$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.

315,448

\$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.

899,829

\$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.

612,060

\$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.

3,493,354

Total serviced by General Fund

\$ 13,070,691

Annual debt service principal and interest payments for the installment purchase as of June 30, 2023, are as follows:

| <b>Year Ending<br/>June 30</b> | <b>Governmental Activities</b> |                     |
|--------------------------------|--------------------------------|---------------------|
|                                | <b>Principal</b>               | <b>Interest</b>     |
| 2024                           | \$ 2,998,968                   | \$ 303,001          |
| 2025                           | 2,390,569                      | 236,102             |
| 2026                           | 1,781,100                      | 185,028             |
| 2027                           | 1,781,100                      | 142,739             |
| 2028                           | 1,781,100                      | 100,450             |
| 2029-2033                      | 1,155,500                      | 267,228             |
| 2034-2038                      | 1,155,500                      | 97,370              |
| 2039-2043                      | 26,854                         | 395                 |
| <b>Total</b>                   | <b>\$ 13,070,691</b>           | <b>\$ 1,332,313</b> |

**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.

\$ 3,047,081

Annual debt service principal and interest payments for the direct borrowing loan as of June 30, 2023, are as follows:

| <b>Year Ending<br/>June 30</b> | <b>Business-type Activities</b> |                 |
|--------------------------------|---------------------------------|-----------------|
|                                | <b>Principal</b>                | <b>Interest</b> |
| 2024                           | \$ 203,139                      | \$ -            |
| 2025                           | 203,139                         | -               |
| 2026                           | 203,139                         | -               |
| 2027                           | 203,139                         | -               |
| 2028                           | 203,139                         | -               |
| 2029-2033                      | 1,015,693                       | -               |
| 2034-2038                      | 1,015,693                       | -               |
| <b>Total</b>                   | <b>\$ 3,047,081</b>             | <b>\$ -</b>     |

**Subscriptions**

For the year ended June 30, 2023 the County implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Subscriptions in effect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022.

One such agreement was in place at June 30, 2022. The OnSolve agreement was in place at June 30, 2022. The Subscription is for Code Red notification system that aids the County in reverse 911, county wide notifications, water system customer alerts, weather alerts, employee emergency notifications and more. The initial term of the agreement was three years. The remaining term at June 30, 2023 is twelve months. The Subscription does not have a stated interest rate. Accordingly, the County's estimated incremental borrowing rate of 2.9% was used to discount the subscription payments. As a result, the amount of \$22,479 was added as a right-to-use subscription asset and a subscription liability as of July 1, 2022. This restatement had no effect on equity. The liability balance at June 30, 2023 was \$11,079, and amortization expense of \$11,239 is reflected on the Capital Assets schedule.

The ESRI, Inc agreement was in place at June 30, 2022. The Subscription is for the County's GIS system. The initial term of the agreement was three years. The remaining term at June 30, 2023 is twelve months. The Subscription does not have a stated interest rate. Accordingly, the County's estimated incremental borrowing rate of 2.9% was used to discount the subscription payments. As a result, the amount of \$75,915 was added as a right-to-use subscription asset and a subscription liability as of July 1, 2022. This restatement had no effect on equity. The liability balance at June 30, 2023 was \$37,418, and amortization expense of \$37,957 is reflected on the Capital Asset schedule.

The Allen Meyea dba 921Docs agreement was in place at June 30, 2022. The Subscription is for the a reporting software for fire investigations. The initial term of the agreement was five years. The remaining term at June 30, 2023 is eighteen months. The Subscription does not have a stated interest rate. Accordingly, the County's estimated incremental borrowing rate of 2.9% was used to discount the subscription payments. As a result, the amount of \$2,625 was added as a right-to-use subscription asset and a subscription liability as of July 1, 2022. This restatement had no effect on equity. The liability balance at June 30, 2023 was \$1,725, and amortization expense of \$875 is reflected on the Capital Asset schedule.

During the current year the County entered into a new Subscription for Shi International Corp, this is an agreement for Microsoft 365. The term of the agreement is three years. The Subscription does not have a stated interest rate. Accordingly, the County's estimated incremental borrowing rate of 2.9% was used to discount the subscription payments. The initial liability for the subscription was \$197,363. The liability balance remaining at June 30, 2023 was \$129,676, and amortization expense of \$65,788 is reflected on the Capital Asset schedule.

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

| Year Ending<br>June 30 | Governmental Activities |                 |
|------------------------|-------------------------|-----------------|
|                        | Principal               | Interest        |
| 2024                   | \$ 113,255              | \$ 5,217        |
| 2025                   | 66,639                  | 1,933           |
| Total                  | <u>\$ 179,894</u>       | <u>\$ 7,150</u> |

**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, 2023:

|   | Beginning<br>Balance | Increases           | Decreases           | Ending<br>Balance    | Current<br>Portion of<br>Balance |
|---|----------------------|---------------------|---------------------|----------------------|----------------------------------|
| <b>Governmental activities:</b>                   |                      |                     |                     |                      |                                  |
| Direct Placement Installment purchase obligations | \$ 16,352,305        | \$ 6,722            | \$ 3,288,336        | \$ 13,070,691        | \$ 2,998,968                     |
| Lease Liability                                   | 316,147              | 3,616,022           | 525,290             | 3,406,879            | 491,658                          |
| IT Subscription liabilities                       | 101,018              | 197,363             | 118,487             | 179,894              | 113,255                          |
| Net pension liability (LGERS)                     | 2,218,842            | 6,149,172           | -                   | 8,368,014            | -                                |
| Total pension liability (LEOSSA)                  | 956,678              | -                   | 241,487             | 715,191              | -                                |
| Compensated absences                              | 965,823              | -                   | 10,860              | 954,963              | 238,741                          |
| Total OPEB Liability                              | 8,904,633            | -                   | 1,616,240           | 7,288,393            | -                                |
| Total governmental activities                     | <u>\$ 29,815,446</u> | <u>\$ 9,969,279</u> | <u>\$ 4,184,460</u> | <u>\$ 33,984,025</u> | <u>\$ 3,842,622</u>              |

**Business-Type Activities:**

**Water and Sewer Fund:**

|   |                  |               |                |                  |                |
|---|------------------|---------------|----------------|------------------|----------------|
| Direct Borrowing Installment purchase obligations | \$ 3,250,220     | \$ -          | \$ 203,139     | \$ 3,047,081     | \$ 203,139     |
| Lease Liability                                   | 11,224           | -             | 5,837          | 5,387            | 6,100          |
| Compensated Absences                              | 1,585            | 150           | -              | 1,735            | 434            |
| Net pension liability (LGERS)                     | 8,306            | 28,715        | -              | 37,021           | -              |
| Total OPEB Liability                              | 28,004           | -             | 5,083          | 22,921           | -              |
| Total Water and Sewer                             | <u>3,299,339</u> | <u>28,865</u> | <u>214,059</u> | <u>3,114,145</u> | <u>209,673</u> |

|                                | Beginning Balance   | Increases         | Decreases         | Ending Balance      | Current Portion of Balance |
|--------------------------------|---------------------|-------------------|-------------------|---------------------|----------------------------|
| <b>Landfill Fund</b>           |                     |                   |                   |                     |                            |
| Compensated Absences           | 12,388              | 4,325             | -                 | 16,713              | 4,178                      |
| Net pension liability (LGERS)  | 34,753              | 90,615            | -                 | 125,368             | -                          |
| Total OPEB Liability           | 137,312             | -                 | 24,923            | 112,389             | -                          |
| Total Landfill                 | 184,453             | 94,940            | 24,923            | 254,470             | 4,178                      |
| Total business type activities | <u>\$ 3,483,792</u> | <u>\$ 123,805</u> | <u>\$ 238,982</u> | <u>\$ 3,368,615</u> | <u>\$ 213,851</u>          |

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

At June 30, 2023, the County had a legal debt margin of \$271,314,735.

#### **C. Interfund Balances and Activity**

Balances due to/from other funds at June 30, 2023, consist of the following:

|  |                          |
|--|--------------------------|
| Due to the General Fund from the Coronavirus Relief Fund to cover deficit cash balances. | <u>\$ 102,101</u>        |
| Total  | <u><u>\$ 102,101</u></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, 2023 consist of the following:

|  |                            |
|--|----------------------------|
| Transfer from the General Fund to the Vehicle Replacement fund to provide resources for capital purchases.         | \$ 180,048                 |
| Transfer from the General Fund to the Landfill to provide funds for salaries.                                      | 20,000                     |
| Transfer from the General Fund to the Emergency Fund to reimburse for nonallowable PSAP costs.                     | 12,385                     |
| Transfer from the General Fund to the Water Sewer Fund to provide funds for salaries.                              | 6,320                      |
| Transfer from the Capital Project Fund to the General Fund to return funds not used for a project that was closed. | 40,243                     |
| Transfer from the General Fund to the Capital Project Fund to provide resources for capital projects.              | <u>6,080,048</u>           |
| Total Transfers  | <u><u>\$ 6,339,044</u></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, Davie, Forsyth, 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, 2023. 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, 2023. 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$475,000 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 64 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 \$12,574 to the Council during the fiscal year ended June 30, 2023.

**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, 2023, 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.

**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 30, 2023, the date these financial statements were available to be issued.

**NOTE IX: Restatement - Change in Accounting Principles**

The County implemented GASB 96 "*Subscription Based Information Technology Arrangements*" effective for the year ending June 30, 2023. As a result of implementing this standard, the County recorded beginning balances for Right to Use IT Asset of \$101,018, which was offset by Subscription liabilities of \$101,018, thereby having a zero dollar effect on the net position of the County.

**NOTE X: Prior Period Adjustments**

The County reflected prior period adjustments to properly accrue revenue from the Department of Revenue for Local Option Sales Tax and Franchise Tax in the General Fund in the amounts of \$934,278 and \$16,857, respectively. They also recorded adjustments in the Landfill Fund to properly accrue revenue from the Department of Revenue for Solid Waste Disposal Tax, White Goods, and Scrap Tire in the amounts of \$6,994, \$4,890, and \$16,775. Additionally, a lessor agreement that should have been recorded in the prior year as a result of the implementation of GASB 87 was adjusted to reflect the receivable balance of \$162,721, which was offset by Deferred Inflow for leases of \$162,015, which resulted in an increase to fund balance in the General Fund of \$706. The net effect of the adjustments on the fund statements resulted in an increase in fund balance in the General Fund of \$951,841 and an increase in the Landfill Fund of \$26,659. The County also discovered that a lessee agreement was not properly included in the prior year. This agreement was added to the beginning balances on the government-wide statements that increased the right to use leased assets by \$57,607, adjusted accumulated amortization by \$15,664, and recorded the lease liability at June 30, 2022, which was \$73,281. The net effect of these entries increased net position in the governmental activities on the government-wide statements by \$10.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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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 Ten Fiscal Years**

| <b>Local Government Employees' Retirement System</b>   | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>  |  |
|--|---------------|---------------|---------------|---------------|--------------|--|
| County's proportionate share of the net pension liability (%)  | 0.151%        | 0.147%        | 0.159%        | 0.159%        | 0.157%       |  |
| County's proportionate share of the net pension liability (\$)   | \$ 8,530,403  | \$ 2,261,901  | \$ 5,668,526  | \$ 4,353,636  | \$ 3,722,916 |  |
| County's covered payroll   | \$ 12,000,029 | \$ 10,775,241 | \$ 10,530,790 | \$ 10,259,834 | \$ 9,945,667 |  |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 71.09%        | 20.99%        | 53.83%        | 42.43%        | 37.43%       |  |
| Plan fiduciary net position as a percentage of the total pension liability                               | 84.14%        | 95.51%        | 88.61%        | 90.86%        | 92.00%       |  |
| <b>2018</b>  | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   |              |  |
| County's proportionate share of the net pension liability (%)  | 0.167%        | 0.164%        | 0.153%        | 0.149%        | 0.158%       |  |
| County's proportionate share of the net pension liability (\$)   | \$ 2,552,367  | \$ 3,474,687  | \$ 684,815    | \$ (876,187)  | \$ 1,900,891 |  |
| County's covered payroll   | \$ 10,364,740 | \$ 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 | 24.63%        | 36.64%        | 7.47%         | -9.73%        | 21.61%       |  |
| Plan fiduciary net position as a percentage of the total pension liability                               | 94.18%        | 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 Ten Fiscal Years**

| <b>Local Government Employees' Retirement System</b>                 |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | <b>2023</b>        | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        |
| Contractually required contribution                                  | \$ 1,575,281       | \$ 1,383,371       | \$ 1,112,169       | \$ 961,127         | \$ 813,578         |
| Contributions in relation to the contractually required contribution | 1,575,281          | 1,383,371          | 1,112,169          | 961,127            | 813,578            |
| Contribution deficiency (excess)                                     | <u><u>\$ -</u></u> |
| County's covered payroll   | \$ 12,813,100      | \$ 12,000,029      | \$ 10,775,241      | \$ 10,530,790      | \$ 10,259,834      |
| Contributions as a percentage of covered payroll                     | 12.29%             | 11.53%             | 10.32%             | 9.13%              | 7.93%              |
|  | <b>2018</b>        | <b>2017</b>        | <b>2016</b>        | <b>2015</b>        | <b>2014</b>        |
| Contractually required contribution                                  | \$ 763,874         | \$ 772,043         | \$ 646,278         | \$ 651,854         | \$ 635,940         |
| Contributions in relation to the contractually required contribution | 763,874            | 772,043            | 646,278            | 651,854            | 635,940            |
| Contribution deficiency (excess)                                     | <u><u>\$ -</u></u> |
| County's covered payroll   | \$ 9,945,667       | \$ 10,364,740      | \$ 9,483,593       | \$ 9,171,663       | \$ 9,009,225       |
| Contributions as a percentage of covered payroll                     | 7.68%              | 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 Ten Fiscal Years**

| <b>Local Government Employees' Retirement System</b>                       |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|
|  | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> |
| County's proportionate share of the net pension (asset) liability (%)      | 0.299%      | 0.270%      | 0.296%      | 0.275%      | 0.300%      |
| County's proportionate share of the net pension (asset) liability (\$)     | \$ (39,633) | \$ (51,810) | \$ (67,803) | \$ (54,208) | \$ (49,704) |
| Plan fiduciary net position as a percentage of the total pension liability | 139.04%     | 156.53%     | 173.62%     | 164.11%     | 153.31%     |
|  |             |             |             |             |             |
|  | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> |
| County's proportionate share of the net pension (asset) liability (%)      | 0.311%      | 0.320%      | 0.309%      | 0.315%      | 0.293%      |
| County's proportionate share of the net pension (asset) liability (\$)     | \$ (53,165) | \$ (59,859) | \$ (71,721) | \$ (71,434) | \$ (62,685) |
| Plan fiduciary net position as a percentage of the total pension liability | 153.77%     | 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 Ten Fiscal Years**

**Local Government Employees' Retirement System**

|  | <b>2023</b>        | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        | <b>2019</b>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| County's required contribution                                   | \$ 2,922           | \$ 3,432           | \$ 3,236           | \$ 2,833           | \$ 3,907           |
| Contributions in relation to contractually required contribution | 2,922              | 3,432              | 3,236              | 2,833              | 3,907              |
| Contribution deficiency (excess)                                 | <u><u>\$ -</u></u> |

|  | <b>2018</b>        | <b>2017</b>        | <b>2016</b>        | <b>2015</b>        | <b>2014</b>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| County's required contribution                                   | \$ 3,688           | \$ 2,706           | \$ 2,616           | \$ 2,462           | \$ 2,573           |
| Contributions in relation to contractually required contribution | 3,688              | 2,706              | 2,616              | 2,462              | 2,573              |
| Contribution deficiency (excess)                                 | <u><u>\$ -</u></u> |

**Yadkin County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Last Seven Fiscal Years**

|   | <b>2023</b>              | <b>2022</b>              | <b>2021</b>              | <b>2020</b>              |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Beginning balance                                 | \$ 956,678               | \$ 926,837               | \$ 518,228               | \$ 593,073               |
| Service cost                                      | 49,287                   | 47,736                   | 46,233                   | 43,337                   |
| Interest on the total pension liability           | 19,345                   | 17,649                   | 16,394                   | 20,927                   |
| Difference between expected and actual experience | (140,317)                | -                        | 142,076                  | (121,603)                |
| Changes of assumptions and other inputs           | (134,637)                | (10,732)                 | 234,618                  | 18,789                   |
| Benefit payments                                  | <u>(35,165)</u>          | <u>(24,812)</u>          | <u>(30,712)</u>          | <u>(36,295)</u>          |
| Ending balance of total pension liability         | <u><u>\$ 715,191</u></u> | <u><u>\$ 956,678</u></u> | <u><u>\$ 926,837</u></u> | <u><u>\$ 518,228</u></u> |
|   | <b>2019</b>              | <b>2018</b>              | <b>2017</b>              |                          |
| 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 Seven Fiscal Years**

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|  | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|-------------|-------------|
| Total pension liability                                    | \$ 715,191  | \$ 956,678  | \$ 926,837  | \$ 518,228  |
| Covered payroll  | 1,708,648   | 1,793,533   | 1,793,533   | 1,715,483   |
| Total pension liability as a percentage of covered payroll | 41.86%      | 53.34%      | 51.68%      | 30.21%      |
|  | <b>2019</b> | <b>2018</b> | <b>2017</b> |             |
| 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 Six Fiscal Years**

|  | <b>2023</b>                | <b>2022</b>                | <b>2021</b>                |
|--|----------------------------|----------------------------|----------------------------|
| <b>Total OPEB Liability</b>                                    |                            |                            |                            |
| Service cost   | \$ 368,611                 | \$ 356,320                 | \$ 348,616                 |
| Interest   | 188,617                    | 194,287                    | 276,298                    |
| Changes of benefit terms                                       | (122,489)                  | -                          | -                          |
| Differences between expected and actual experience             | (416,420)                  | -                          | 186,234                    |
| Changes of assumptions   | (989,209)                  | 44,103                     | 1,035,963                  |
| Benefit payments   | (675,355)                  | (632,018)                  | (566,039)                  |
| <b>Net change in total OPEB liability</b>                      | <b>(1,646,245)</b>         | <b>(37,308)</b>            | <b>1,281,072</b>           |
| <b>Total OPEB liability - beginning</b>                        | <b>9,069,949</b>           | <b>9,107,257</b>           | <b>7,826,185</b>           |
| <b>Total OPEB liability - ending</b>                           | <b><u>\$ 7,423,704</u></b> | <b><u>\$ 9,069,949</u></b> | <b><u>\$ 9,107,257</u></b> |
| <br><b>Covered payroll</b>                                     |                            |                            |                            |
| <b>Total OPEB liability as a percentage of covered payroll</b> | <b>\$ 9,604,674</b>        | <b>\$ 9,976,834</b>        | <b>\$ 9,976,834</b>        |
|  | 77.29%                     | 90.91%                     | 91.28%                     |
|  | <b>2020</b>                | <b>2019</b>                | <b>2018</b>                |
| <b>Total OPEB Liability</b>                                    |                            |                            |                            |
| Service cost   | \$ 321,657                 | \$ 229,054                 | \$ 246,436                 |
| Interest   | 275,683                    | 191,535                    | 173,706                    |
| Changes of benefit terms                                       | -                          | (80,097)                   | -                          |
| Differences between expected and actual experience             | 249,095                    | 1,893,807                  | (177,678)                  |
| Changes of assumptions   | 269,681                    | 113,197                    | (265,374)                  |
| Benefit payments   | (746,657)                  | (537,238)                  | (201,691)                  |
| <b>Net change in total OPEB liability</b>                      | <b>369,459</b>             | <b>1,810,258</b>           | <b>(224,601)</b>           |
| <b>Total OPEB liability - beginning</b>                        | <b>7,456,726</b>           | <b>5,646,468</b>           | <b>5,871,069</b>           |
| <b>Total OPEB liability - ending</b>                           | <b><u>\$ 7,826,185</u></b> | <b><u>\$ 7,456,726</u></b> | <b><u>\$ 5,646,468</u></b> |
| <br><b>Covered payroll</b>                                     |                            |                            |                            |
| <b>Total OPEB liability as a percentage of covered payroll</b> | <b>\$ 10,564,860</b>       | <b>\$ 10,564,860</b>       | <b>\$ 8,448,108</b>        |
|  | 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:

| <b>Fiscal Year</b> | <b>Rate</b> |
|--------------------|-------------|
| 2023               | 3.54%       |
| 2022               | 2.16%       |
| 2021               | 2.21%       |
| 2020               | 3.50%       |
| 2019               | 3.89%       |
| 2018               | 3.56%       |

## GENERAL FUND

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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.

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**Yadkin County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|                                      | <u>Budget</u>     | <u>Actual</u>     | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|------------------------------------|
| <b>Revenues:</b>                     |                   |                   |                                    |
| Ad valorem taxes:                    |                   |                   |                                    |
| Taxes                                | \$ 21,067,875     | \$ 21,763,570     | \$ 695,695                         |
| Penalties and interest               | 180,100           | 183,696           | 3,596                              |
| Total                                | <u>21,247,975</u> | <u>21,947,266</u> | <u>699,291</u>                     |
| Local option sales tax:              |                   |                   |                                    |
| Article 39 and 44                    | 4,150,000         | 5,129,625         | 979,625                            |
| Article 40 one - half of one percent | 2,900,000         | 3,472,108         | 572,108                            |
| Article 42 one - half of one percent | 1,623,788         | 2,020,942         | 397,154                            |
| Medicaid hold harmless payment       | 900,000           | 1,653,376         | 753,376                            |
| Total                                | <u>9,573,788</u>  | <u>12,276,051</u> | <u>2,702,263</u>                   |
| Other taxes & licenses:              |                   |                   |                                    |
| Unfortified wine tax                 | <u>127,800</u>    | <u>141,089</u>    | <u>13,289</u>                      |
| Unrestricted intergovernmental:      |                   |                   |                                    |
| State aid to counties                | 79,113            | 79,113            | -                                  |
| Rural general public                 | 82,798            | 82,798            | -                                  |
| Senior citizens exemptions           | 73,475            | 73,475            | -                                  |
| Total                                | <u>235,386</u>    | <u>235,386</u>    | <u>-</u>                           |
| Restricted intergovernmental:        |                   |                   |                                    |
| Federal and State grants             | 6,837,345         | 6,280,718         | (556,627)                          |
| Court facilities fees                | 49,000            | 55,245            | 6,245                              |
| Total                                | <u>6,886,345</u>  | <u>6,335,963</u>  | <u>(550,382)</u>                   |
| Permits and fees:                    |                   |                   |                                    |
| Building permits and inspection fees | 130,000           | 131,341           | 1,341                              |
| Fire inspection fees                 | 20,000            | 21,420            | 1,420                              |
| Register of Deeds                    | 268,000           | 331,030           | 63,030                             |
| Other permits and fees               | 11,500            | 12,193            | 693                                |
| Total                                | <u>429,500</u>    | <u>495,984</u>    | <u>66,484</u>                      |
| Sales and services:                  |                   |                   |                                    |
| Rents, concessions, and fees         | 173,150           | 204,398           | 31,248                             |
| Ambulance fees                       | 1,391,000         | 1,952,953         | 561,953                            |
| Jail fees                            | 100,000           | 74,098            | (25,902)                           |
| Sheriff's fees                       | 72,000            | 88,644            | 16,644                             |
| Court costs and officer's fees       | 24,000            | 21,570            | (2,430)                            |
| Liaison officer program              | 206,530           | 224,555           | 18,025                             |
| Environmental health fees            | 140,000           | 128,081           | (11,919)                           |
| Recreation fees                      | 65,000            | 80,349            | 15,349                             |
| Other fees                           | 351,320           | 412,494           | 61,174                             |
| Total                                | <u>2,523,000</u>  | <u>3,187,142</u>  | <u>664,142</u>                     |

(continued)

**Yadkin County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|                       | Budget            | Actual            | Variance<br>Positive<br>(Negative) |
|-----------------------|-------------------|-------------------|------------------------------------|
| Investment earnings   | <u>227,591</u>    | <u>443,879</u>    | <u>216,288</u>                     |
| Miscellaneous:        |                   |                   |                                    |
| Cablevision fees      | 65,000            | 60,887            | (4,113)                            |
| Miscellaneous         | <u>235,655</u>    | <u>523,832</u>    | <u>288,177</u>                     |
| Total                 | <u>300,655</u>    | <u>584,719</u>    | <u>284,064</u>                     |
| Total revenues        | <u>41,552,040</u> | <u>45,647,479</u> | <u>4,095,439</u>                   |
| Expenditures:         |                   |                   |                                    |
| General Government:   |                   |                   |                                    |
| Governing Body:       |                   |                   |                                    |
| Salaries and benefits | 13,377            |                   |                                    |
| Operating expenses    | 58,106            |                   |                                    |
| Total                 | <u>85,485</u>     | <u>71,483</u>     | <u>14,002</u>                      |
| Administration:       |                   |                   |                                    |
| Salaries and benefits | 600,624           |                   |                                    |
| Operating expenses    | 25,625            |                   |                                    |
| Total                 | <u>633,432</u>    | <u>626,249</u>    | <u>7,183</u>                       |
| Elections:            |                   |                   |                                    |
| Salaries and benefits | 146,039           |                   |                                    |
| Operating expenses    | 65,043            |                   |                                    |
| Total                 | <u>216,270</u>    | <u>211,082</u>    | <u>5,188</u>                       |
| Finance:              |                   |                   |                                    |
| Salaries and benefits | 305,548           |                   |                                    |
| Operating expenses    | 13,725            |                   |                                    |
| Total                 | <u>320,812</u>    | <u>319,273</u>    | <u>1,539</u>                       |
| Information Services: |                   |                   |                                    |
| Salaries and benefits | 455,274           |                   |                                    |
| Operating expenses    | 11,609            |                   |                                    |
| Total                 | <u>487,500</u>    | <u>466,883</u>    | <u>20,617</u>                      |
| Tax Assessor:         |                   |                   |                                    |
| Salaries and benefits | 398,830           |                   |                                    |
| Operating expenses    | 161,680           |                   |                                    |
| Total                 | <u>565,035</u>    | <u>560,510</u>    | <u>4,525</u>                       |

**Yadkin County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023**

|                          | Budget           | Actual           | Variance<br>Positive<br>(Negative) |
|--------------------------|------------------|------------------|------------------------------------|
| Revaluation:             |                  |                  |                                    |
| Salaries and benefits    |                  | 303,781          |                                    |
| Operating expenses       |                  | 117,649          |                                    |
| Total                    | <u>427,694</u>   | <u>421,430</u>   | <u>6,264</u>                       |
| Tax Department           | <u>992,729</u>   | <u>981,940</u>   | <u>10,789</u>                      |
| License Plate Agency:    |                  |                  |                                    |
| Salaries and benefits    |                  | 121,649          |                                    |
| Operating expenses       |                  | 885              |                                    |
| Total                    | <u>150,535</u>   | <u>122,534</u>   | <u>28,001</u>                      |
| Register of Deeds:       |                  |                  |                                    |
| Salaries and benefits    |                  | 254,996          |                                    |
| Operating expenses       |                  | 52,753           |                                    |
| Total                    | <u>311,230</u>   | <u>307,749</u>   | <u>3,481</u>                       |
| Public Buildings:        |                  |                  |                                    |
| Salaries and benefits    |                  | 323,625          |                                    |
| Operating expenses       |                  | 279,826          |                                    |
| Capital outlay           |                  | 5,403            |                                    |
| Total                    | <u>653,871</u>   | <u>608,854</u>   | <u>45,017</u>                      |
| Hospital:                |                  |                  |                                    |
| Salaries and benefits    |                  | 52,479           |                                    |
| Operating expenses       |                  | 115,566          |                                    |
| Total                    | <u>174,700</u>   | <u>168,045</u>   | <u>6,655</u>                       |
| Court Facilities:        |                  |                  |                                    |
| Salaries and benefits    |                  | 54,995           |                                    |
| Total                    | <u>66,226</u>    | <u>54,995</u>    | <u>11,231</u>                      |
| Other Non-Departmental   |                  |                  |                                    |
| Professional services    |                  | 994,053          |                                    |
| Other Nondepartmental    |                  | 142,801          |                                    |
| Capital Outlay           |                  | 1,655,359        |                                    |
| Total                    | <u>3,439,637</u> | <u>2,792,213</u> | <u>647,424</u>                     |
| Total General Government | <u>7,532,427</u> | <u>6,731,300</u> | <u>801,127</u>                     |

**Yadkin County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023**

|                             | Budget           | Actual           | Variance<br>Positive<br>(Negative) |
|-----------------------------|------------------|------------------|------------------------------------|
| Public Safety:              |                  |                  |                                    |
| Sheriff:                    |                  |                  |                                    |
| Salaries and benefits       | 3,255,160        |                  |                                    |
| Operating expenses          | 776,879          |                  |                                    |
| Capital outlay              | 7,555            |                  |                                    |
| Total                       | <u>4,202,784</u> | <u>4,039,594</u> | <u>163,190</u>                     |
| Communications              |                  |                  |                                    |
| Salaries and benefits       | 679,470          |                  |                                    |
| Operating expenses          | 54,506           |                  |                                    |
| Total                       | <u>802,310</u>   | <u>733,976</u>   | <u>68,334</u>                      |
| Jail:                       |                  |                  |                                    |
| Salaries and benefits       | 1,319,902        |                  |                                    |
| Operating expenses          | 674,758          |                  |                                    |
| Total                       | <u>2,249,079</u> | <u>1,994,660</u> | <u>254,419</u>                     |
| Liaison Officer:            |                  |                  |                                    |
| Salaries and benefits       | 291,508          |                  |                                    |
| Separation allowance        | 61,715           |                  |                                    |
| Total                       | <u>374,620</u>   | <u>353,223</u>   | <u>21,397</u>                      |
| Total Sheriff               | <u>7,628,793</u> | <u>7,121,453</u> | <u>507,340</u>                     |
| Emergency Medical Services: |                  |                  |                                    |
| Salaries and benefits       | 3,694,192        |                  |                                    |
| Operating expenses          | 1,130,471        |                  |                                    |
| Capital outlay              | 3,393,203        |                  |                                    |
| Total                       | <u>9,111,171</u> | <u>8,217,866</u> | <u>893,305</u>                     |
| Fire Marshal:               |                  |                  |                                    |
| Salaries and benefits       | 168,631          |                  |                                    |
| Operating expenses          | 39,266           |                  |                                    |
| Total                       | <u>246,356</u>   | <u>207,897</u>   | <u>38,459</u>                      |
| Total Emergency Services    | <u>9,357,527</u> | <u>8,425,763</u> | <u>931,764</u>                     |
| Animal Shelter              |                  |                  |                                    |
| Salaries and benefits       | 211,751          |                  |                                    |
| Operating expenses          | 83,767           |                  |                                    |
| Total                       | <u>306,945</u>   | <u>295,518</u>   | <u>11,427</u>                      |

**Yadkin County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|   | Budget            | Actual            | Variance<br>Positive<br>(Negative) |
|---|-------------------|-------------------|------------------------------------|
| Medical Examiner:                       |                   |                   |                                    |
| Contracted Services                     | <u>40,000</u>     | <u>39,600</u>     | <u>400</u>                         |
| Building Inspections:                   |                   |                   |                                    |
| Salaries and benefits                   |                   | 362,233           |                                    |
| Operating expenses                      |                   | 25,426            |                                    |
| Total                                   | <u>457,095</u>    | <u>387,659</u>    | <u>69,436</u>                      |
| Total Public Safety                     | <u>17,790,360</u> | <u>16,269,993</u> | <u>1,520,367</u>                   |
| Economic and Physical Development:      |                   |                   |                                    |
| Cooperative Extension Service:          |                   |                   |                                    |
| Operating expenses                      |                   | 207,947           |                                    |
| Total                                   | <u>252,766</u>    | <u>207,947</u>    | <u>44,819</u>                      |
| Soil and Water Conservation:            |                   |                   |                                    |
| Salaries and benefits                   |                   | 215,062           |                                    |
| Operating expenses                      |                   | 128,068           |                                    |
| Total                                   | <u>419,531</u>    | <u>384,604</u>    | <u>34,927</u>                      |
| Economic Development:                   |                   |                   |                                    |
| Operating expenses                      | <u>76,500</u>     | <u>76,500</u>     | <u>-</u>                           |
| Economic Development Projects:          |                   |                   |                                    |
| Total                                   | <u>25,000</u>     | <u>25,000</u>     | <u>-</u>                           |
| Total Economic and Physical Development | <u>773,797</u>    | <u>694,051</u>    | <u>79,746</u>                      |
| Human Services:                         |                   |                   |                                    |
| Health:                                 |                   |                   |                                    |
| Administration:                         |                   |                   |                                    |
| Salaries and benefits                   |                   | 376,823           |                                    |
| Operating expenses                      |                   | 115,883           |                                    |
| Capital outlay                          |                   | 80,602            |                                    |
| Total                                   | <u>571,571</u>    | <u>573,308</u>    | <u>(1,737)</u>                     |

**Yadkin County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023**

|                          | Budget         | Actual         | Variance<br>Positive<br>(Negative) |
|--------------------------|----------------|----------------|------------------------------------|
| Nursing and Medical:     |                |                |                                    |
| Salaries and benefits    |                | 106,448        |                                    |
| Operating expenses       |                | 28,904         |                                    |
| Total                    | <u>152,367</u> | <u>135,352</u> | <u>17,015</u>                      |
| Medicaid Case Manager    |                |                |                                    |
| Salaries and benefits    |                | 83,735         |                                    |
| Operating expenses       |                | 4,820          |                                    |
| Total                    | <u>131,024</u> | <u>88,555</u>  | <u>42,469</u>                      |
| Preparedness:            |                |                |                                    |
| Salaries and benefits    |                | 13,279         |                                    |
| Operating expenses       |                | 9,496          |                                    |
| Total                    | <u>30,993</u>  | <u>22,775</u>  | <u>8,218</u>                       |
| Tuberculosis:            |                |                |                                    |
| Operating expenses       | <u>3,692</u>   | <u>2,239</u>   | <u>1,453</u>                       |
| Immunization             |                |                |                                    |
| Operating expenses       |                | 11,187         |                                    |
| Total                    | <u>24,800</u>  | <u>11,187</u>  | <u>13,613</u>                      |
| Health - Viral Hepatitis |                |                |                                    |
| Salaries and benefits    |                | 55,468         |                                    |
| Operating expenses       |                | 2,111          |                                    |
| Total                    | <u>77,160</u>  | <u>57,579</u>  | <u>19,581</u>                      |
| Environmental Health:    |                |                |                                    |
| Salaries and benefits    |                | 219,292        |                                    |
| Operating expenses       |                | 38,203         |                                    |
| Total                    | <u>282,985</u> | <u>257,495</u> | <u>25,490</u>                      |
| Child Health:            |                |                |                                    |
| Salaries and benefits    |                | 144,441        |                                    |
| Operating expenses       |                | 27,401         |                                    |
| Total                    | <u>204,241</u> | <u>171,842</u> | <u>32,399</u>                      |

**Yadkin County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|                               | Budget           | Actual           | Variance<br>Positive<br>(Negative) |
|-------------------------------|------------------|------------------|------------------------------------|
| Maternal Health:              |                  |                  |                                    |
| Salaries and benefits         |                  | 72,746           |                                    |
| Operating expenses            |                  | 51,126           |                                    |
| Total                         | <u>141,491</u>   | <u>123,872</u>   | <u>17,619</u>                      |
| Family Planning:              |                  |                  |                                    |
| Salaries and benefits         |                  | 92,989           |                                    |
| Operating expenses            |                  | 26,474           |                                    |
| Total                         | <u>130,712</u>   | <u>119,463</u>   | <u>11,249</u>                      |
| Women, Infants, and Children: |                  |                  |                                    |
| Salaries and benefits         |                  | 190,690          |                                    |
| Operating expenses            |                  | 15,826           |                                    |
| Total                         | <u>241,842</u>   | <u>206,516</u>   | <u>35,326</u>                      |
| Health Education              |                  |                  |                                    |
| Salaries and benefits         |                  | 56,889           |                                    |
| Operating expenses            |                  | 11,688           |                                    |
| Total                         | <u>70,984</u>    | <u>68,577</u>    | <u>2,407</u>                       |
| Total Health                  | <u>2,064,742</u> | <u>1,838,760</u> | <u>225,982</u>                     |
| Social Services:              |                  |                  |                                    |
| Administration:               |                  |                  |                                    |
| Salaries and benefits         |                  | 3,931,992        |                                    |
| Operating expenses            |                  | 257,558          |                                    |
| Capital outlay                |                  | 54,329           |                                    |
| Total                         | <u>4,667,963</u> | <u>4,243,879</u> | <u>424,084</u>                     |
| Assistance Programs:          |                  |                  |                                    |
| Operating Expenses            | <u>1,869,821</u> | <u>1,379,237</u> | <u>490,584</u>                     |
| County Portion - Aid          |                  |                  |                                    |
| Operating expenses            | <u>477,178</u>   | <u>290,838</u>   | <u>186,340</u>                     |
| Total social services         | <u>7,014,962</u> | <u>5,913,954</u> | <u>1,101,008</u>                   |
| Other Human Services:         |                  |                  |                                    |
| Operating expenses            | <u>1,270,139</u> | <u>1,257,484</u> | <u>12,655</u>                      |

**Yadkin County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|  | Budget            | Actual            | Variance<br>Positive<br>(Negative) |
|--|-------------------|-------------------|------------------------------------|
| <b>Veterans Services:</b>                  |                   |                   |                                    |
| Salaries and benefits                      |                   | 62,597            |                                    |
| Operating expenses                         |                   | 1,918             |                                    |
| Total                                      | <u>64,670</u>     | <u>64,515</u>     | <u>155</u>                         |
| <b>Juvenile Crime Prevention Council:</b>  |                   |                   |                                    |
| Salaries and benefits                      |                   | 23,855            |                                    |
| Operating expenses                         |                   | 340,169           |                                    |
| Total                                      | <u>388,904</u>    | <u>364,024</u>    | <u>24,880</u>                      |
| <b>Mental Health:</b>                      |                   |                   |                                    |
| Contribution to Partners Behavioral Health | 118,000           | 118,000           | -                                  |
| Total other human services                 | <u>1,841,713</u>  | <u>1,804,023</u>  | <u>37,690</u>                      |
| Total Human Services                       | <u>10,921,417</u> | <u>9,556,737</u>  | <u>1,364,680</u>                   |
| <b>Cultural and Recreation:</b>            |                   |                   |                                    |
| Recreational:                              |                   |                   |                                    |
| Salaries and benefits                      |                   | 543,419           |                                    |
| Operating expenses                         |                   | 179,185           |                                    |
| Capital outlay                             |                   | 48,850            |                                    |
| Total                                      | <u>847,024</u>    | <u>771,454</u>    | <u>75,570</u>                      |
| Total Cultural and Recreational            | <u>847,024</u>    | <u>771,454</u>    | <u>75,570</u>                      |
| <b>Education:</b>                          |                   |                   |                                    |
| Public Schools:                            |                   |                   |                                    |
| Current expense                            |                   | 7,472,753         |                                    |
| Capital outlay                             |                   | 1,150,443         |                                    |
| Total                                      | <u>9,123,196</u>  | <u>8,623,196</u>  | <u>500,000</u>                     |
| Community College:                         |                   |                   |                                    |
| Current expense                            | 431,000           | 369,615           | 61,385                             |
| Total Education                            | <u>9,554,196</u>  | <u>8,992,811</u>  | <u>561,385</u>                     |
| <b>Debt service:</b>                       |                   |                   |                                    |
| Principal                                  | 3,290,080         | 3,288,336         | 1,744                              |
| Interest                                   | 389,620           | 384,582           | 5,038                              |
| Total debt service                         | <u>3,679,700</u>  | <u>3,672,918</u>  | <u>6,782</u>                       |
| Total expenditures                         | <u>51,098,921</u> | <u>46,689,264</u> | <u>4,409,657</u>                   |

**Yadkin County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023**

|  | <u>Budget</u>      | <u>Actual</u>        | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|--------------------|----------------------|---|
| Revenue over (under) expenditures  | <u>(9,546,881)</u> | <u>(1,041,785)</u>   | <u>8,505,096</u>                            |
| Other financing sources (uses):  |                    |                      |   |
| Lease Liabilities Issued   | 4,142,217          | 3,616,022            | (526,195)                                   |
| Subscription Liabilities Issued  | 461,963            | 197,363              | (264,600)                                   |
| Transfers to other funds:  |                    |                      |   |
| Emergency Telephone System Fund  | -                  | (12,385)             | (12,385)                                    |
| Capital Projects Fund  | (6,080,048)        | (6,080,048)          | -   |
| Enterprise Fund  | (20,000)           | (20,000)             | -   |
| Water/Sewer Fund   | (6,320)            | (6,320)              | -   |
| Transfers from other funds:  |                    |                      |   |
| Capital Projects Fund  | -                  | 40,243               | 40,243                                      |
| Total other financing sources (uses)   | <u>(1,502,188)</u> | <u>(2,265,125)</u>   | <u>(762,937)</u>                            |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | (11,049,069)       | (3,306,910)          | 7,742,159                                   |
| Fund balance appropriated  | <u>11,049,069</u>  | <u>-</u>             | <u>(11,049,069)</u>                         |
| Net change in fund balance   | <u>\$ -</u>        | <u>(3,306,910)</u>   | <u>\$ (3,306,910)</u>                       |
| Fund balance, beginning  |                    | <u>25,210,816</u>    |   |
| Prior Period Adjustment (see Note X)   |                    | <u>951,841</u>       |   |
| Fund balance, beginning, as restated   |                    | <u>26,162,657</u>    |   |
| Fund balance, ending   |                    | <u>\$ 21,903,906</u> |   |

## **OTHER MAJOR GOVERNMENTAL FUNDS**

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### **Special Revenue Fund -**

**Opioid Settlement Fund** - account for resources provided to assist with Opioid recovery efforts.

### **Capital Project Fund -**

**Capital Projects Fund** - account for various governmental capital projects.

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**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, 2023**

|                               | Project<br>Authorization | Prior<br>Years     | Actual<br>Current<br>Year | Total<br>To Date   | Variance<br>Positive<br>(Negative) |
|-------------------------------|--------------------------|--------------------|---------------------------|--------------------|------------------------------------|
| <b>Revenues:</b>              |                          |                    |                           |                    |                                    |
| Restricted Intergovernmental  |                          |                    |                           |                    |                                    |
| Opioid Settlement             | \$ 305,888               | \$ -               | \$ 11,037                 | \$ 11,037          | \$ (294,851)                       |
| Partners for Opioid Abatement | 90,980                   |                    | 75,734                    | 75,734             | (15,246)                           |
| Total revenues                | <u>396,868</u>           | <u>-</u>           | <u>86,771</u>             | <u>86,771</u>      | <u>(310,097)</u>                   |
| <b>Expenditures:</b>          |                          |                    |                           |                    |                                    |
| Opioid Recovery               |                          |                    |                           |                    |                                    |
| Salaries and benefits         | 18,057                   | -                  | 9,179                     | 9,179              | 8,878                              |
| Other operating expenses      | 378,811                  | -                  | 77,592                    | 77,592             | 301,219                            |
| Total expenditures            | <u>396,868</u>           | <u>-</u>           | <u>86,771</u>             | <u>86,771</u>      | <u>310,097</u>                     |
| Net change in fund balance    | <u><u>\$ -</u></u>       | <u><u>\$ -</u></u> | <u><u>-</u></u>           | <u><u>\$ -</u></u> | <u><u>\$ -</u></u>                 |
| Fund balance, beginning       |                          |                    |                           | -                  |                                    |
| Fund balance, ending          |                          |                    |                           | <u><u>\$ -</u></u> |                                    |

**Yadkin County**  
**Major Fund - Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2023**

|   | Project Authorization | Actual              |                     |                     | Total To Date       | Variance Positive (Negative) |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|------------------------------|
|   |                       | Prior Years         | Current Year        | Closed Out Projects |                     |                              |
| <b>Revenues:</b>                            |                       |                     |                     |                     |                     |                              |
| Restricted Intergovernmental:               |                       |                     |                     |                     |                     |                              |
| Watershed Restoration Grant                 | \$ 96,077             | \$ 461,704          | \$ 404,142          | \$ -                | \$ 865,846          | \$ 769,769                   |
| SCIF Grant                                  | 1,500,000             | -                   | -                   | -                   | -                   | (1,500,000)                  |
| Division of Soil & Water Grant              | 2,000,000             | -                   | -                   | -                   | -                   | (2,000,000)                  |
| Investment earnings - other                 | -                     | 184                 | -                   | -                   | 184                 | 184                          |
| <b>Total revenues</b>                       | <b>3,596,077</b>      | <b>461,888</b>      | <b>404,142</b>      | <b>-</b>            | <b>866,030</b>      | <b>(2,730,047)</b>           |
| <b>Expenditures:</b>                        |                       |                     |                     |                     |                     |                              |
| Sheriff Department                          |                       |                     |                     |                     |                     |                              |
| Professional services                       | 5,901                 | 100,468             | 5,900               | (106,368)           | -                   | 5,901                        |
| Construction                                | -                     | 4,094,400           | -                   | (4,094,400)         | -                   | -                            |
| Furniture and equipment                     | 1                     | 99,697              | -                   | (99,697)            | -                   | 1                            |
| Watershed Project                           |                       |                     |                     |                     |                     |                              |
| Professional services                       | 65,034                | 784,966             | 45,962              | -                   | 830,928             | (765,894)                    |
| Technical assistance                        | 22,800                | 7,200               | -                   | -                   | 7,200               | 15,600                       |
| Mussel survey                               | 17,560                | -                   | 17,557              | -                   | 17,557              | 3                            |
| Yadkin County Public Facilities Project     |                       |                     |                     |                     |                     |                              |
| Professional services                       | 492,750               | -                   | 195,859             | -                   | 195,859             | 296,891                      |
| SCIF Grant                                  | 1,315,417             | -                   | -                   | -                   | -                   | 1,315,417                    |
| EMS Outpost                                 | 662,668               | -                   | -                   | -                   | -                   | 662,668                      |
| County Building                             | 4,579,166             | -                   | -                   | -                   | -                   | 4,579,166                    |
| Testing                                     | 50,000                | -                   | -                   | -                   | -                   | 50,000                       |
| Furniture                                   | 100,000               | -                   | -                   | -                   | -                   | 100,000                      |
| Contingency                                 | 100,000               | -                   | -                   | -                   | -                   | 100,000                      |
| Stream Debris Removal                       |                       |                     |                     |                     |                     |                              |
| Expense                                     | 2,100,000             | -                   | 241,978             | -                   | 241,978             | 1,858,022                    |
| <b>Total expenditures</b>                   | <b>9,511,297</b>      | <b>5,086,731</b>    | <b>507,256</b>      | <b>(4,300,465)</b>  | <b>1,293,522</b>    | <b>8,217,775</b>             |
| <b>Revenues over (under) expenditures</b>   | <b>(5,915,220)</b>    | <b>(4,624,843)</b>  | <b>(103,114)</b>    | <b>4,300,465</b>    | <b>(427,492)</b>    | <b>5,487,728</b>             |
| <b>Other Financing Sources (Uses):</b>      |                       |                     |                     |                     |                     |                              |
| From General Fund:                          |                       |                     |                     |                     |                     |                              |
| Public Facilities Project                   | 5,800,000             | -                   | 5,800,000           | -                   | 5,800,000           | -                            |
| Stream Debris Removal                       | 100,000               | -                   | 100,000             | -                   | 100,000             | -                            |
| To General Fund                             | (40,243)              | -                   | (40,243)            | -                   | (40,243)            | -                            |
| Installment Purchase Obligations Issued:    |                       |                     |                     |                     |                     |                              |
| Sheriff Admin Building                      | 5,903                 | 4,293,743           | 6,722               | (4,300,465)         | -                   | (5,903)                      |
| Appropriated Fund Balance                   | 49,560                | -                   | -                   | -                   | -                   | (49,560)                     |
| <b>Total Other Financing Sources (Uses)</b> | <b>5,915,220</b>      | <b>4,293,743</b>    | <b>5,866,479</b>    | <b>(4,300,465)</b>  | <b>5,859,757</b>    | <b>(55,463)</b>              |
| <b>Net change in fund balance</b>           | <b>\$ -</b>           | <b>\$ (331,100)</b> | <b>5,763,365</b>    | <b>\$ -</b>         | <b>\$ 5,432,265</b> | <b>\$ 5,432,265</b>          |
| Fund balance, beginning                     |                       |                     | 2,760,635           |                     |                     |                              |
| Fund balance, ending                        |                       |                     | <b>\$ 8,524,000</b> |                     |                     |                              |

## NON-MAJOR GOVERNMENTAL FUNDS

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

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**Yadkin County**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2023**

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|   | Nonmajor<br>Special<br>Revenue Funds | Nonmajor<br>Capital<br>Project Fund | Total                      |
|---|--------------------------------------|-------------------------------------|----------------------------|
| <b>Assets:</b>  |                                      |                                     |                            |
| Cash and cash equivalents   | \$ 1,019,818                         | \$ 320,214                          | \$ 1,340,032               |
| Taxes receivable, net   | 46,294                               | -                                   | 46,294                     |
| Total assets  | <u><u>\$ 1,066,112</u></u>           | <u><u>\$ 320,214</u></u>            | <u><u>\$ 1,386,326</u></u> |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b> |                                      |                                     |                            |
| <b>Liabilities:</b>   |                                      |                                     |                            |
| Accounts payable and accrued liabilities                              | \$ 32,787                            | \$ 3,763                            | \$ 36,550                  |
| Due to other funds  | 102,101                              | -                                   | 102,101                    |
| Total liabilities   | <u><u>134,888</u></u>                | <u><u>3,763</u></u>                 | <u><u>138,651</u></u>      |
| <b>Deferred Inflows of Resources</b>                                  |                                      |                                     |                            |
| Taxes receivables   | <u><u>46,294</u></u>                 | <u><u>-</u></u>                     | <u><u>46,294</u></u>       |
| <b>Fund Balances:</b>   |                                      |                                     |                            |
| Restricted for human services   | 16,153                               |                                     | 16,153                     |
| Restricted for public safety  | 972,321                              | -                                   | 972,321                    |
| Committed   | -                                    | 316,451                             | 316,451                    |
| Unassigned  | (105,252)                            | -                                   | (105,252)                  |
| Total fund balances   | <u><u>884,930</u></u>                | <u><u>316,451</u></u>               | <u><u>1,201,381</u></u>    |
| Total liabilities, deferred inflows of resources, and fund balance    | <u><u>\$ 1,066,112</u></u>           | <u><u>\$ 320,214</u></u>            | <u><u>\$ 1,386,326</u></u> |

**Yadkin County**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

|  | Nonmajor<br>Speical Revenue<br>Funds | Nonmajor<br>Capital<br>Project<br>Fund | Total               |
|--|--------------------------------------|--|---------------------|
| <b>Revenues:</b>                       |                                      |  |                     |
| Ad valorem taxes                       | \$ 2,346,111                         | \$ -                                   | \$ 2,346,111        |
| Sales tax                              | 254,255                              | -                                      | 254,255             |
| Other taxes and license                | 51,652                               | -                                      | 51,652              |
| Restricted intergovernmental           | 681,965                              | -                                      | 681,965             |
| Permits and fees                       | 18,056                               | -                                      | 18,056              |
| Sales and services                     | 203,846                              | -                                      | 203,846             |
| Interest earned                        | 17,958                               | -                                      | 17,958              |
| Miscellaneous revenues                 | -                                    | 26,065                                 | 26,065              |
| <b>Total revenues</b>                  | <b>3,573,843</b>                     | <b>26,065</b>                          | <b>3,599,908</b>    |
| <b>Expenditures:</b>                   |                                      |  |                     |
| General government                     | 445,892                              | 253,026                                | 698,918             |
| Public safety                          | 2,698,517                            | -                                      | 2,698,517           |
| Human services                         | 173,806                              | -                                      | 173,806             |
| Economic and physical development      | 51,652                               | -                                      | 51,652              |
| <b>Total expenditures</b>              | <b>3,369,867</b>                     | <b>253,026</b>                         | <b>3,622,893</b>    |
| Revenues over (under) expenditures     | 203,976                              | (226,961)                              | (22,985)            |
| <b>Other financing sources (uses):</b> |                                      |  |                     |
| Transfers from other funds:            |                                      |  |                     |
| General Fund                           | 12,385                               | 180,048                                | 192,433             |
| Net change in fund balances            | 216,361                              | (46,913)                               | 169,448             |
| <b>Fund Balances:</b>                  |                                      |  |                     |
| Fund balance, beginning                | 668,569                              | 363,364                                | 1,031,933           |
| <b>Fund balance, ending</b>            | <b>\$ 884,930</b>                    | <b>\$ 316,451</b>                      | <b>\$ 1,201,381</b> |

**Yadkin County**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2023**

|   | Occupancy                             |                            |                        |                        |                       |                                  |                              |                            |                     |
|---|---------------------------------------|----------------------------|------------------------|------------------------|-----------------------|----------------------------------|------------------------------|----------------------------|---------------------|
|   | Emergency<br>Telephone<br>System Fund | Law<br>Enforcement<br>Fund | Fire Districts<br>Fund | Tax<br>Revenue<br>Fund | Deed of Trust<br>Fund | Fines and<br>Forfeitures<br>Fund | Representative<br>Payee Fund | Coronavirus<br>Relief Fund | Total               |
| <b>Assets:</b>  |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
| Cash and cash equivalents   | \$ 432,560                            | \$ 150,197                 | \$ 391,626             | \$ -                   | \$ 1,708              | \$ 27,574                        | \$ 16,153                    | \$ -                       | \$ 1,019,818        |
| Taxes receivable, net   | -                                     | -                          | 46,294                 | -                      | -                     | -                                | -                            | -                          | 46,294              |
| <b>Total assets</b>   | <b>\$ 432,560</b>                     | <b>\$ 150,197</b>          | <b>\$ 437,920</b>      | <b>\$ -</b>            | <b>\$ 1,708</b>       | <b>\$ 27,574</b>                 | <b>\$ 16,153</b>             | <b>\$ -</b>                | <b>\$ 1,066,112</b> |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>     |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
| <b>Liabilities:</b>   |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
| Accounts payable and accrued liabilities                                  | \$ 760                                | \$ 1,302                   | \$ -                   | \$ -                   | \$ -                  | \$ 27,574                        | \$ -                         | \$ 3,151                   | \$ 32,787           |
| Due to other funds  | -                                     | -                          | -                      | -                      | -                     | -                                | -                            | 102,101                    | 102,101             |
| <b>Total liabilities</b>  | <b>760</b>                            | <b>1,302</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>              | <b>27,574</b>                    | <b>-</b>                     | <b>105,252</b>             | <b>134,888</b>      |
| <b>Deferred Inflows of Resources</b>                                      |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
| Taxes receivable  | -                                     | -                          | 46,294                 | -                      | -                     | -                                | -                            | -                          | 46,294              |
| <b>Fund Balances:</b>   |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
| Restricted:   |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
| Human Services  | -                                     | -                          | -                      | -                      | -                     | -                                | 16,153                       | -                          | 16,153              |
| Public Safety   | 431,800                               | 148,895                    | 391,626                | -                      | -                     | -                                | -                            | -                          | 972,321             |
| Unassigned  | -                                     | -                          | -                      | -                      | -                     | -                                | -                            | (105,252)                  | (105,252)           |
| <b>Total fund balances</b>  | <b>431,800</b>                        | <b>148,895</b>             | <b>391,626</b>         | <b>-</b>               | <b>1,708</b>          | <b>-</b>                         | <b>16,153</b>                | <b>(105,252)</b>           | <b>884,930</b>      |
| <b>Total liabilities, deferred inflows of resources, and fund balance</b> |                                       |                            |                        |                        |                       |                                  |                              |                            |                     |
|   | <b>\$ 432,560</b>                     | <b>\$ 150,197</b>          | <b>\$ 437,920</b>      | <b>\$ -</b>            | <b>\$ 1,708</b>       | <b>\$ 27,574</b>                 | <b>\$ 16,153</b>             | <b>\$ -</b>                | <b>\$ 1,066,112</b> |

**Yadkin County**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

|   | Emergency Telephone System Fund | Law Enforcement Fund | Fire Districts Fund | Tax Revenue Fund | Deed of Trust Fund | Fines and Forfeitures Fund | Representative Payee Fund | Coronavirus Relief Fund | Total             |
|---|---------------------------------|----------------------|---------------------|------------------|--------------------|----------------------------|---------------------------|-------------------------|-------------------|
| <b>Revenues:</b>                            |                                 |                      |                     |                  |                    |                            |                           |                         |                   |
| Ad valorem taxes                            | \$ -                            | \$ -                 | \$ 2,346,111        | \$ -             | \$ -               | \$ -                       | \$ -                      | \$ -                    | \$ 2,346,111      |
| Sales tax                                   | -                               | -                    | 254,255             | -                | -                  | -                          | -                         | -                       | 254,255           |
| Other taxes and license                     | -                               | -                    | -                   | 51,652           | -                  | -                          | -                         | -                       | 51,652            |
| Restricted intergovernmental                | 220,679                         | 25,686               | -                   | -                | -                  | -                          | 120,833                   | 314,767                 | 681,965           |
| Permits and fees                            | -                               | -                    | -                   | -                | 18,056             | -                          | -                         | -                       | 18,056            |
| Sales and services                          | -                               | -                    | -                   | -                | -                  | 203,846                    | -                         | -                       | 203,846           |
| Interest earned                             | -                               | -                    | 17,958              | -                | -                  | -                          | -                         | -                       | 17,958            |
| <b>Total revenues</b>                       | <b>220,679</b>                  | <b>25,686</b>        | <b>2,618,324</b>    | <b>51,652</b>    | <b>18,056</b>      | <b>203,846</b>             | <b>120,833</b>            | <b>314,767</b>          | <b>3,573,843</b>  |
| <b>Expenditures:</b>                        |                                 |                      |                     |                  |                    |                            |                           |                         |                   |
| General Government                          | -                               | -                    | -                   | -                | 18,046             | 203,846                    | -                         | 224,000                 | 445,892           |
| Public safety                               | 138,460                         | 63,824               | 2,496,233           | -                | -                  | -                          | -                         | -                       | 2,698,517         |
| Human services                              | -                               | -                    | -                   | -                | -                  | -                          | 134,964                   | 38,842                  | 173,806           |
| Economic and physical development           | -                               | -                    | -                   | 51,652           | -                  | -                          | -                         | -                       | 51,652            |
| <b>Total expenditures</b>                   | <b>138,460</b>                  | <b>63,824</b>        | <b>2,496,233</b>    | <b>51,652</b>    | <b>18,046</b>      | <b>203,846</b>             | <b>134,964</b>            | <b>262,842</b>          | <b>3,369,867</b>  |
| Revenues over (under) expenditures          | 82,219                          | (38,138)             | 122,091             | -                | 10                 | -                          | (14,131)                  | 51,925                  | 203,976           |
| <b>Other Financing Sources(Uses):</b>       |                                 |                      |                     |                  |                    |                            |                           |                         |                   |
| Transfer from General Fund                  | 12,385                          | -                    | -                   | -                | -                  | -                          | -                         | -                       | 12,385            |
| <b>Total Other Financing Sources (Uses)</b> | <b>12,385</b>                   | <b>-</b>             | <b>-</b>            | <b>-</b>         | <b>-</b>           | <b>-</b>                   | <b>-</b>                  | <b>-</b>                | <b>12,385</b>     |
| Net change in fund balances                 | 94,604                          | (38,138)             | 122,091             | -                | 10                 | -                          | (14,131)                  | 51,925                  | 216,361           |
| <b>Fund Balances:</b>                       |                                 |                      |                     |                  |                    |                            |                           |                         |                   |
| Fund balance, beginning                     | 337,196                         | 187,033              | 269,535             | -                | 1,698              | -                          | 30,284                    | (157,177)               | 668,569           |
| Fund balance, ending                        | <b>\$ 431,800</b>               | <b>\$ 148,895</b>    | <b>\$ 391,626</b>   | <b>\$ -</b>      | <b>\$ 1,708</b>    | <b>\$ -</b>                | <b>\$ 16,153</b>          | <b>\$ (105,252)</b>     | <b>\$ 884,930</b> |

**Yadkin County**  
**Emergency Telephone System Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|  | Final Budget      | Actual         | Variance<br>Over/Under |
|--|-------------------|----------------|------------------------|
| <b>Revenues:</b>   |                   |                |                        |
| Restricted intergovernmental:  |                   |                |                        |
| Wireless 911 funds   | \$ 220,679        | \$ 220,679     | \$ -                   |
| <b>Expenditures:</b>   |                   |                |                        |
| Public safety:   |                   |                |                        |
| Telephone  | 25,000            | 12,589         | (12,411)               |
| Contracted services  | 134,000           | 108,362        | (25,638)               |
| Operating expenses   | 14,162            | 5,170          | (8,992)                |
| Capital, other eligible expenses   | 47,517            | 12,339         | (35,178)               |
| Total expenditures   | <u>220,679</u>    | <u>138,460</u> | <u>(82,219)</u>        |
| Revenues over (under) expenditures   | -                 | 82,219         | 82,219                 |
| <b>Other Financing Sources (Uses):</b>   |                   |                |                        |
| Transfer from General Fund   | -                 | 12,385         | 12,385                 |
| Total Other Financing Sources (Uses)   | <u>-</u>          | <u>12,385</u>  | <u>12,385</u>          |
| Net change in fund balance   | <u>\$ -</u>       | <u>94,604</u>  | <u>\$ 94,604</u>       |
| Fund balance, beginning  |                   | <u>337,196</u> |                        |
| Fund balance, ending   | <u>\$ 431,800</u> |                |                        |
| <b>PSAP RECONCILIATION</b>   |                   |                |                        |
| June 30, 2023  |                   |                |                        |
| 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   |                   | \$ 431,800     |                        |
| 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  | <u>\$ 431,800</u> |                |                        |

**Yadkin County  
Law Enforcement Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023**

|                                | Final Budget  | Actual            | Variance<br>Over/Under |
|--------------------------------|---------------|-------------------|------------------------|
| <b>Revenues:</b>               |               |                   |                        |
| Federal                        |               |                   |                        |
| DOJ Funds                      | \$ 1,000      | \$ -              | \$ (1,000)             |
| Treasury Funds                 | 1,000         | -                 | (1,000)                |
| State                          |               |                   |                        |
| Controlled Substance           | 8,000         | 25,686            | 17,686                 |
| Total revenue                  | <u>10,000</u> | <u>25,686</u>     | <u>15,686</u>          |
| <b>Expenditures:</b>           |               |                   |                        |
| Public safety:                 |               |                   |                        |
| Federal                        |               |                   |                        |
| DOJ Funds                      | 1,000         | -                 | 1,000                  |
| Treasury Funds                 | 1,000         | 39,541            | (38,541)               |
| Uniforms                       | 33,470        | -                 | 33,470                 |
| Equipment                      | 19,240        | 9,240             | 10,000                 |
| State                          |               |                   |                        |
| Law Enforcement Expenses       | 8,000         | -                 | 8,000                  |
| Equipment                      | 17,000        | 15,043            | 1,957                  |
| Total expenditures             | <u>79,710</u> | <u>63,824</u>     | <u>15,886</u>          |
| Other Financing Sources(Uses): |               |                   |                        |
| Fund Balance Appropriated      | <u>69,710</u> | <u>-</u>          | <u>(69,710)</u>        |
| Net change in fund balance     | <u>\$ -</u>   | <u>(38,138)</u>   | <u>\$ (38,138)</u>     |
| Fund Balance:                  |               |                   |                        |
| Beginning of year - July 1     |               | <u>187,033</u>    |                        |
| End of year - June 30          |               | <u>\$ 148,895</u> |                        |

**Yadkin County  
Fire Districts Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|   | Final Budget     | Actual            | Variance<br>Over/Under |
|---|------------------|-------------------|------------------------|
| <b>Revenues:</b>                            |                  |                   |                        |
| Ad valorem taxes                            | \$ 2,297,315     | \$ 2,346,111      | \$ 48,796              |
| Sales tax                                   | 254,255          | 254,255           | -                      |
| Interest income                             | 715              | 17,958            | 17,243                 |
| <b>Total revenues</b>                       | <b>2,552,285</b> | <b>2,618,324</b>  | <b>66,039</b>          |
| <b>Expenditures:</b>                        |                  |                   |                        |
| <b>Public safety:</b>                       |                  |                   |                        |
| Fire tax distributed to fire districts      | 2,497,927        | 2,496,233         | 1,694                  |
| <b>Total expenses</b>                       | <b>2,497,927</b> | <b>2,496,233</b>  | <b>1,694</b>           |
| <b>Other Financing Sources(Uses):</b>       |                  |                   |                        |
| Transfer from General Fund                  | -                | -                 | -                      |
| <b>Total Other Financing Sources (Uses)</b> | <b>-</b>         | <b>-</b>          | <b>-</b>               |
| <b>Net change in fund balance</b>           | <b>\$ 54,358</b> | 122,091           | <b>\$ 67,733</b>       |
| <b>Fund Balance:</b>                        |                  |                   |                        |
| Beginning of year - July 1                  |                  | 269,535           |                        |
| <b>End of year - June 30</b>                |                  | <b>\$ 391,626</b> |                        |

**Yadkin County**  
**Occupancy Tax Revenue Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|                                    | Final Budget | Actual    | Variance<br>Over/Under |
|------------------------------------|--------------|-----------|------------------------|
| Revenues:                          |              |           |                        |
| Occupancy tax revenue              | \$ 55,000    | \$ 51,652 | \$ (3,348)             |
| Expenditures:                      |              |           |                        |
| Economic and physical development: |              |           |                        |
| Tourism related programs           | 55,000       | 51,652    | 3,348                  |
| Other Financing Sources(Uses):     |              |           |                        |
| Fund Balance Appropriated          | -            | -         | -                      |
| Net change in fund balance         | <u>\$ -</u>  | -         | <u>\$ -</u>            |
| Fund Balance:                      |              |           |                        |
| Beginning of year - July 1         | -            | -         | -                      |
| End of year - June 30              | <u>\$ -</u>  | -         | <u>\$ -</u>            |

**Yadkin County**  
**Deed of Trust Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|                                       | Final Budget       | Actual              | Variance<br>Over/Under |
|---------------------------------------|--------------------|---------------------|------------------------|
| <b>Revenues:</b>                      |                    |                     |                        |
| Permits and fees                      |                    |                     |                        |
| Register of deeds                     | <u>\$ 25,000</u>   | <u>\$ 18,056</u>    | <u>\$ (6,944)</u>      |
| <b>Expenditures:</b>                  |                    |                     |                        |
| General Government                    |                    |                     |                        |
| Payments of fees collected to the     |                    |                     |                        |
| State of North Carolina               | <u>25,000</u>      | <u>18,046</u>       | <u>6,954</u>           |
| <b>Other Financing Sources(Uses):</b> |                    |                     |                        |
| Fund Balance Appropriated             | <u>-</u>           | <u>-</u>            | <u>-</u>               |
| Net change in fund balance            | <u><u>\$ -</u></u> | <u><u>10</u></u>    | <u><u>\$ 10</u></u>    |
| <b>Fund Balance:</b>                  |                    |                     |                        |
| Fund balance, beginning               |                    |                     | <u>1,698</u>           |
| Fund balance, ending                  | <u><u>\$ -</u></u> | <u><u>1,708</u></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, 2023**

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|   | <u>Final Budget</u>        | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|---|----------------------------|-------------------|--------------------------------|
| Revenues:   |                            |                   |                                |
| Sales and Services  |                            |                   |                                |
| Penalties, fines, and forfeitures   | <u>\$ 204,000</u>          | <u>\$ 203,846</u> | <u>\$ (154)</u>                |
| Expenditures:   |                            |                   |                                |
| General Government  |                            |                   |                                |
| Payments of penalties, fines and<br>forfeitures to the Board of Education | <u>204,000</u>             | <u>203,846</u>    | <u>154</u>                     |
| Other Financing Sources(Uses):  |                            |                   |                                |
| Fund Balance Appropriated   | <u>        -</u>           | <u>        -</u>  | <u>        -</u>               |
| Net change in fund balance  | <u>        \$        -</u> | <u>        -</u>  | <u>        \$        -</u>     |
| Fund balance, beginning   | <u>        -</u>           |                   |                                |
| 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, 2023**

|   | Final Budget      | Actual            | Variance<br>Over/Under |
|---|-------------------|-------------------|------------------------|
| Revenues:   |                   |                   |                        |
| Restricted intergovernmental                      | <u>\$ 365,000</u> | <u>\$ 120,833</u> | <u>\$ (244,167)</u>    |
| Expenditures:                                     |                   |                   |                        |
| Human services                                    |                   |                   |                        |
| Payments made for the benefit of<br>beneficiaries | <u>365,000</u>    | <u>134,964</u>    | <u>230,036</u>         |
| Other Financing Sources(Uses):                    |                   |                   |                        |
| Fund Balance Appropriated                         | <u>-</u>          | <u>-</u>          | <u>-</u>               |
| Net change in fund balance                        | <u>\$ -</u>       | <u>(14,131)</u>   | <u>\$ (14,131)</u>     |
| Fund balance, beginning                           |                   | <u>30,284</u>     |                        |
| Fund balance, ending                              |                   | <u>\$ 16,153</u>  |                        |

**Yadkin County**  
**Coronavirus Relief Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

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|                            | Final Budget   | Actual              | Variance<br>Over/Under |
|----------------------------|----------------|---------------------|------------------------|
| <b>Revenues:</b>           |                |                     |                        |
| CARES Act Funding          | \$ 948,710     | \$ 314,767          | \$ (633,943)           |
| <b>Expenditures:</b>       |                |                     |                        |
| General Government         | 643,289        | 224,000             | 419,289                |
| Human Services             |                |                     |                        |
| Public Health Expenses     | 305,421        | 38,842              | 266,579                |
| Total expenses             | <u>948,710</u> | <u>262,842</u>      | <u>685,868</u>         |
| Net change in fund balance | <u>\$ -</u>    | <u>51,925</u>       | <u>\$ 51,925</u>       |
| <b>Fund Balance:</b>       |                |                     |                        |
| Beginning of year - July 1 |                | <u>(157,177)</u>    |                        |
| End of year - June 30      |                | <u>\$ (105,252)</u> |                        |

## ENTERPRISE FUNDS

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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.

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**Yadkin County**  
**Vehicle Replacement Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

|  | <u>Final Budget</u> | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|--|---------------------|-------------------|--------------------------------|
| <b>Revenues:</b>                       |                     |                   |                                |
| Miscellaneous sale of surplus property | \$ -                | \$ 26,065         | \$ 26,065                      |
| <b>Expenditures:</b>                   |                     |                   |                                |
| General government:                    |                     |                   |                                |
| Equipment                              | 510,048             | 253,026           | 257,022                        |
| Revenues over (under) expenditures     | <u>(510,048)</u>    | <u>(226,961)</u>  | <u>(230,957)</u>               |
| <b>Other Financing Sources(Uses):</b>  |                     |                   |                                |
| Transfer from General Fund             | 180,048             | 180,048           | -                              |
| Appropriated Fund Balance              | 330,000             | -                 | (330,000)                      |
| Total other financing sources (uses)   | <u>510,048</u>      | <u>180,048</u>    | <u>(330,000)</u>               |
| Net change in fund balance             | <u>\$ -</u>         | <u>(46,913)</u>   | <u>\$ (46,913)</u>             |
| <b>Fund Balance:</b>                   |                     |                   |                                |
| Beginning of year - July 1             |                     | <u>363,364</u>    |                                |
| End of year - June 30                  |                     | <u>\$ 316,451</u> |                                |

**Yadkin County  
Landfill Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

|                                    | Final Budget     | Actual           | Variance<br>Over/Under |
|------------------------------------|------------------|------------------|------------------------|
| <b>Revenues:</b>                   |                  |                  |                        |
| Operating revenues:                |                  |                  |                        |
| Solid waste fees                   | \$ 2,723,255     | \$ 2,928,488     | \$ 205,233             |
| Recycling fees                     | 25,770           | 22,500           | (3,270)                |
| Total operating revenues           | <u>2,749,025</u> | <u>2,950,988</u> | <u>201,963</u>         |
| Non-operating revenues:            |                  |                  |                        |
| Grants                             | 2,000            | 2,656            | 656                    |
| Solid waste disposal tax           | 29,000           | 32,385           | 3,385                  |
| Scrap tire disposal tax            | 70,000           | 70,123           | 123                    |
| White good disposal tax            | 19,000           | 18,393           | (607)                  |
| Total non-operating revenues       | <u>120,000</u>   | <u>123,557</u>   | <u>3,557</u>           |
| Total revenues                     | <u>2,869,025</u> | <u>3,074,545</u> | <u>205,520</u>         |
| <b>Expenditures:</b>               |                  |                  |                        |
| <b>Solid Waste:</b>                |                  |                  |                        |
| Operating expenditures:            |                  |                  |                        |
| Personnel services                 | 326,978          | 318,574          | 8,404                  |
| Contracted services                | 2,800            | 1,807            | 993                    |
| Maintenance                        | 31,450           | 24,322           | 7,128                  |
| Other operating expenses           | 473,107          | 439,062          | 34,045                 |
| Disposal transfer fee              | 1,925,690        | 1,909,649        | 16,041                 |
| Total operating expenditures       | <u>2,760,025</u> | <u>2,693,414</u> | <u>66,611</u>          |
| Total solid waste                  | <u>2,780,025</u> | <u>2,701,076</u> | <u>78,949</u>          |
| <b>Recycling:</b>                  |                  |                  |                        |
| Other operating expenses           | 109,000          | 81,599           | 27,401                 |
| Total recycling                    | <u>109,000</u>   | <u>81,599</u>    | <u>27,401</u>          |
| Total expenditures                 | <u>2,889,025</u> | <u>2,782,675</u> | <u>106,350</u>         |
| Revenues over (under) expenditures | <u>(20,000)</u>  | <u>291,870</u>   | <u>311,870</u>         |

(continued)

**Yadkin County  
Landfill Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

|  | <u>Final Budget</u> | <u>Actual</u>  | <u>Variance<br/>Over/Under</u> |
|--|---------------------|----------------|--------------------------------|
| <b>Other financing sources (uses):</b>   |                     |                |                                |
| Transfers (to)/from General Fund   | 20,000              | 20,000         | -                              |
| Total other financing sources (uses)   | <u>20,000</u>       | <u>20,000</u>  | <u>-</u>                       |
| <b>Revenues and other financing sources (uses)<br/>over (under) expenditures</b>   |                     |                |                                |
|  | <u>\$</u>           | <u>-</u>       | <u>\$</u>                      |
|  |                     | 311,870        | <u>311,870</u>                 |
| <b>Reconciliation from budgetary basis (modified accrual)<br/>to full accrual:</b> |                     |                |                                |
| Reconciling items:   |                     |                |                                |
| Increase in accrued vacation pay   |                     | (4,325)        |                                |
| Depreciation   |                     | (12,854)       |                                |
| Increase deferred outflows - pension   |                     | 35,167         |                                |
| Increase deferred outflows - OPEB  |                     | (5,866)        |                                |
| Increase in net pension liability  |                     | (90,615)       |                                |
| Decrease deferred inflows - pension  |                     | 43,153         |                                |
| Decrease deferred inflows - OPEB   |                     | (17,485)       |                                |
| Increase in other post-employment benefits   |                     | <u>24,923</u>  |                                |
| Change in net position   | <u>\$</u>           | <u>291,408</u> |                                |

**Yadkin County**  
**Water and Sewer Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

|   | Final Budget     | Actual           | Variance<br>Over/Under |
|---|------------------|------------------|------------------------|
| <b>Revenues:</b>                            |                  |                  |                        |
| Operating revenues:                         |                  |                  |                        |
| East Bend Water Fees                        | \$ 175,000       | \$ 150,973       | \$ (24,027)            |
| Town of Jonesville                          | 232,135          | 242,310          | 10,175                 |
| Total operating revenues                    | <u>407,135</u>   | <u>393,283</u>   | <u>(13,852)</u>        |
| Nonoperating revenues:                      |                  |                  |                        |
| Grant                                       | 150,000          | -                | (150,000)              |
| Total nonoperating revenues                 | <u>150,000</u>   | <u>-</u>         | <u>(150,000)</u>       |
| Total Revenues                              | <u>557,135</u>   | <u>393,283</u>   | <u>(163,852)</u>       |
| <b>Expenditures:</b>                        |                  |                  |                        |
| Hwy 21 Water Services                       |                  |                  |                        |
| Salaries & benefits                         | 63,620           | 59,196           | 4,424                  |
| Maintenance                                 | 790              | 730              | 60                     |
| Other operating expenditures                | 177,672          | 167,681          | 9,991                  |
| Total water expense                         | <u>242,082</u>   | <u>227,607</u>   | <u>14,475</u>          |
| EB Waterline Expense                        |                  |                  |                        |
| Salaries & benefits                         | 165              | 155              | 10                     |
| Contracted Services                         | 4,000            | 3,645            | 355                    |
| Water Expense                               | 84,823           | 82,530           | 2,293                  |
| Other operating expenditures                | 13,640           | 13,391           | 249                    |
| Total EB Waterline Expense                  | <u>102,628</u>   | <u>99,721</u>    | <u>2,907</u>           |
| Grant Expenses - Asset Inventory            | <u>150,000</u>   | <u>52,800</u>    | <u>97,200</u>          |
| Debt Service                                |                  |                  |                        |
| Principal                                   | <u>203,140</u>   | <u>203,139</u>   | <u>1</u>               |
| Total debt service                          | <u>203,140</u>   | <u>203,139</u>   | <u>1</u>               |
| Total expenditures                          | <u>697,850</u>   | <u>583,267</u>   | <u>114,583</u>         |
| Revenues over (under) expenditures          | <u>(140,715)</u> | <u>(189,984)</u> | <u>(49,269)</u>        |
| <b>Other financing sources (uses):</b>      |                  |                  |                        |
| Transfers in:                               |                  |                  |                        |
| General Fund                                | 6,320            | 6,320            | -                      |
| Appropriated fund balance                   | 134,395          | -                | (134,395)              |
| Total other financing sources (uses)        | <u>140,715</u>   | <u>6,320</u>     | <u>(134,395)</u>       |
| Revenues and other financing sources (uses) |                  |                  |                        |
| over (under) expenditures                   | <u>\$ -</u>      | <u>(183,664)</u> | <u>\$ (183,664)</u>    |

(continued)

**Yadkin County  
Water and Sewer Fund  
Statement of Revenues and Expenditures  
Budget and Actual (Non - GAAP)  
For the Year Ended June 30, 2023**

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|   | <u>Final Budget</u>        | <u>Actual</u> | <u>Variance<br/>Over/Under</u> |
|---|----------------------------|---------------|--------------------------------|
| Reconciliation from budgetary basis (modified accrual) to full accrual: |                            |               |                                |
| Reconciling items:  |                            |               |                                |
| Depreciation  | (395,916)                  |               |                                |
| Principal paid on debt  | 203,139                    |               |                                |
| Lease payments  | 5,837                      |               |                                |
| Amortization - right to use assets                                      | (6,100)                    |               |                                |
| Increase in compensated absences  | (150)                      |               |                                |
| Increase deferred outflows - pension                                    | 6,484                      |               |                                |
| Increase in deferred outflows - OPEB                                    | (1,409)                    |               |                                |
| Increase in net pension liability                                       | (28,715)                   |               |                                |
| Decrease deferred inflows - pension                                     | 19,556                     |               |                                |
| Decrease deferred inflows - OPEB  | (3,566)                    |               |                                |
| Increase in total OPEB liability  | <u>5,083</u>               |               |                                |
| Change in net position  | <u><u>\$ (379,421)</u></u> |               |                                |

**Yadkin County**  
**Group Insurance Internal Service Fund**  
**Financial Plan and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2023**

|   | <u>Financial Plan</u> | <u>Actual</u>      | <u>Variance<br/>Over/Under</u> |
|---|-----------------------|--------------------|--------------------------------|
| <b>Operating Revenues:</b>  |                       |                    |                                |
| Charges for services - premiums                                       | \$ 3,267,837          | \$ 3,397,948       | \$ 130,111                     |
| <b>Operating Expenditures:</b>  |                       |                    |                                |
| Insurance claims, premiums, and administration charges                | <u>3,679,313</u>      | <u>3,496,674</u>   | <u>182,639</u>                 |
| Revenues over (under) expenditures                                    | <u>(411,476)</u>      | <u>(98,726)</u>    | <u>312,750</u>                 |
| <b>Other Financing Sources (Uses):</b>                                |                       |                    |                                |
| Appropriated Fund Balance   | <u>411,476</u>        | <u>-</u>           | <u>(411,476)</u>               |
| Revenues over (under) expenditures and Other Financing Sources (Uses) | <u>\$ -</u>           | <u>\$ (98,726)</u> | <u>\$ (98,726)</u>             |

## CUSTODIAL FUNDS

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

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**Yadkin County**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**

|   | <b>Municipal Tax<br/>Fund</b> | <b>Jail Inmate<br/>Pay Fund</b> | <b>Total Custodial<br/>Funds</b> |
|---|-------------------------------|---------------------------------|----------------------------------|
| <b>ASSETS</b>                                     |                               |                                 |                                  |
| Cash and cash equivalents                         | \$ 40,093                     | \$ 24,945                       | \$ 65,038                        |
| Taxes receivable for other governments, net       | 31,508                        |                                 | 31,508                           |
| Total assets                                      | <u>71,601</u>                 | <u>24,945</u>                   | <u>96,546</u>                    |
| <b>LIABILITIES</b>                                |                               |                                 |                                  |
| Accounts payable and accrued liabilities          | -                             | -                               | -                                |
| Due to other governments                          | 40,093                        | -                               | 40,093                           |
| Total liabilities                                 | <u>40,093</u>                 | <u>-</u>                        | <u>40,093</u>                    |
| <b>NET POSITION</b>                               |                               |                                 |                                  |
| Restricted for:                                   |                               |                                 |                                  |
| Individuals, organizations, and other governments | 31,508                        | 24,945                          | 56,453                           |
| Total net position                                | <u>\$ 31,508</u>              | <u>\$ 24,945</u>                | <u>\$ 56,453</u>                 |

**Yadkin County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2023**

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|   | <b>Municipal Tax<br/>Fund</b> | <b>Jail Inmate<br/>Pay Fund</b> | <b>Total Custodial<br/>Funds</b> |
|---|-------------------------------|---------------------------------|----------------------------------|
| <b>ADDITIONS</b>                                  |                               |                                 |                                  |
| Ad valorem taxes for other governments            | \$ 944,310                    | \$ -                            | \$ 944,310                       |
| Collections on behalf of inmates                  | - -                           | 99,762                          | 99,762                           |
| Total additions                                   | <u>944,310</u>                | <u>99,762</u>                   | <u>1,044,072</u>                 |
| <b>DEDUCTIONS</b>                                 |                               |                                 |                                  |
| Tax distributions to other governments            | 947,036                       | - -                             | 947,036                          |
| Payments on behalf of inmates                     | - -                           | 85,147                          | 85,147                           |
| Total deductions                                  | <u>947,036</u>                | <u>85,147</u>                   | <u>1,032,183</u>                 |
| Net increase (decrease) in fiduciary net position | (2,726)                       | 14,615                          | 11,889                           |
| Net position, beginning                           | <u>34,234</u>                 | <u>10,330</u>                   | <u>44,564</u>                    |
| Net position, ending                              | <u><u>\$ 31,508</u></u>       | <u><u>\$ 24,945</u></u>         | <u><u>\$ 56,453</u></u>          |

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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**Yadkin County  
General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2023**

| Fiscal Year | Uncollected<br>Balance<br>June 30, 2022 | Additions                   | Collections<br>And Credits  | Uncollected<br>Balance<br>June 30, 2023 |
|-------------|---|-----------------------------|-----------------------------|---|
| 2022-2023   | \$ -                                    | \$ 23,773,534               | \$ 23,324,064               | \$ 449,470                              |
| 2021-2022   | 388,336                                 | -                           | 216,026                     | 172,310                                 |
| 2020-2021   | 191,347                                 | -                           | 68,298                      | 123,049                                 |
| 2019-2020   | 144,098                                 | -                           | 50,002                      | 94,096                                  |
| 2018-2019   | 102,589                                 | -                           | 28,678                      | 73,911                                  |
| 2017-2018   | 86,906                                  | -                           | 21,421                      | 65,485                                  |
| 2016-2017   | 63,863                                  | -                           | 11,744                      | 52,119                                  |
| 2015-2016   | 44,628                                  | -                           | 8,768                       | 35,860                                  |
| 2014-2015   | 34,389                                  | -                           | 5,562                       | 28,827                                  |
| 2013-2014   | 57,597                                  | -                           | 6,587                       | 51,010                                  |
| 2012-2013   | 67,807                                  | -                           | 67,807                      | -                                       |
|             | <b><u>\$ 1,181,560</u></b>              | <b><u>\$ 23,773,534</u></b> | <b><u>\$ 23,808,957</u></b> | <b><u>1,146,137</u></b>                 |

Less: allowance for uncollectible accounts:

General Fund (722,870)

Ad valorem taxes receivable - net:

General Fund \$ 423,267

Reconcilement with revenues:

|                                 |                      |
|---------------------------------|----------------------|
| Ad valorem taxes - General Fund | <u>\$ 21,947,266</u> |
| Reconciling items:              |                      |
| Interest and Penalty collected  | (183,696)            |
| Releases, adjustments, and fees | 1,977,580            |
| Taxes Written Off               | 67,807               |
| Total reconciling items         | <u>1,861,691</u>     |
| Total collections and credits   | <u>\$ 23,808,957</u> |

**Yadkin County**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**June 30, 2023**

|   | County - wide                  |         |                             | Total Levy                                      |                            |
|---|--------------------------------|---------|-----------------------------|---|----------------------------|
|   | Property Valuation             | Rate    | Amount of Levy              | Property excluding<br>Registered Motor Vehicles | Registered Motor Vehicles  |
|   |                                |         |                             | Motor Vehicles                                  | Motor Vehicles             |
| <b>Original levy:</b>                     |                                |         |                             |   |                            |
| Property taxed at current year's rate     | \$ 3,458,191,096               | \$ 0.66 | \$ 22,824,061               | \$ 19,982,756                                   | \$ 2,841,305               |
| Penalties                                 | -                              |         | 15,827                      | 15,827  | -                          |
| <b>Total</b>                              | <b><u>3,458,191,096</u></b>    |         | <b><u>22,839,888</u></b>    | <b><u>19,998,583</u></b>                        | <b><u>2,841,305</u></b>    |
| <b>Discoveries:</b>                       |                                |         |                             |   |                            |
| Current year taxes                        | 262,134,262                    | 0.66    | 1,730,086                   | 1,730,086                                       | -                          |
| Prior year taxes                          | 1,250,398                      | 0.66    | 8,253                       | 8,253   | -                          |
| <b>Total</b>                              | <b><u>263,384,660</u></b>      |         | <b><u>1,738,339</u></b>     | <b><u>1,738,339</u></b>                         | <b><u>-</u></b>            |
| <b>Abatements:</b>                        |                                |         |                             |   |                            |
| Current year taxes                        | (120,584,600)                  | 0.66    | (795,858)                   | (795,858)                                       | -                          |
| Prior year taxes                          | (1,338,671)                    | 0.66    | (8,835)                     | (8,835)   | -                          |
| <b>Total</b>                              | <b><u>(121,923,271)</u></b>    |         | <b><u>(804,693)</u></b>     | <b><u>(804,693)</u></b>                         | <b><u>-</u></b>            |
| <b>Total property valuation</b>           | <b><u>\$ 3,599,652,485</u></b> |         |                             |   |                            |
| <b>Net levy</b>                           |                                |         | 23,773,534                  | 20,932,229                                      | 2,841,305                  |
| Uncollected taxes at June 30, 2023        |                                |         | <u>449,470</u>              | <u>449,470</u>                                  | <u>-</u>                   |
| <b>Current year's taxes collected</b>     |                                |         | <b><u>\$ 23,324,064</u></b> | <b><u>\$ 20,482,759</u></b>                     | <b><u>\$ 2,841,305</u></b> |
| <b>Current levy collection percentage</b> |                                |         | <b><u>98.11%</u></b>        | <b><u>97.85%</u></b>                            | <b><u>100.00%</u></b>      |

(continued)

**Yadkin County**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**June 30, 2023**

---

**Secondary Market Disclosures:**

Assessed Valuation:

Assessment Ratio<sup>1</sup> 100.00%

|   |                                 |
|---|---------------------------------|
| Real Property   | \$ 2,637,883,579                |
| Personal Property (includes late listing)                                     | 515,545,567                     |
| Motor Vehicles  | 430,500,806                     |
| Public Service Companies <sup>2</sup>   | 140,043,834                     |
| Less Releases   | (121,923,271)                   |
| Total Assessed Valuation  | <u><u>\$ 3,602,050,515</u></u>  |
| <br>Tax Rate per \$100  | <br><u><u>\$ 0.66</u></u>       |
| <br>Levy (includes discoveries, late list penalties, releases and abatements) | <br><u><u>\$ 23,773,534</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 | \$ 1,967,598 |
|---------------------------|--------------|

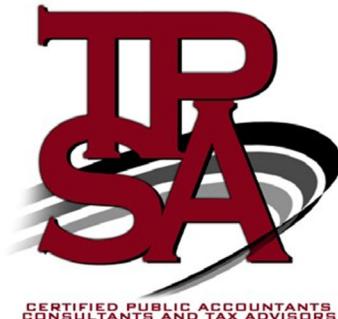
<sup>1</sup> Percentage of appraised value has been established by statute.

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

**Yadkin County**  
**Ten Largest Taxpayers**  
**June 30, 2023**

| <b>Taxpayer</b>              | <b>Type of Business</b> | <b>2022<br/>Assessed<br/>Valuation</b> | <b>Percentage of<br/>Total Assessed<br/>Valuation</b> |
|------------------------------|-------------------------|--|---|
| Unifi Mfg Inc                | Manufacturing           | \$ 119,058,056                         | 3.31%   |
| Duke Energy Corp             | Utility                 | 87,336,039                             | 2.43%   |
| Lydall Inc                   | Manufacturing           | 60,656,242                             | 1.69%   |
| B&G Food Snacks Inc          | Manufacturing           | 39,996,485                             | 1.11%   |
| Phillips Van Huesen Corp     | Manufacturing           | 32,685,326                             | 0.91%   |
| Surry Yadkin EMC             | Utility                 | 15,652,039                             | 0.43%   |
| FCA US LLC                   | Auto Leasing            | 15,499,850                             | 0.43%   |
| Salem Leasing Corp           | Leasing                 | 9,865,693                              | 0.27%   |
| Hennings Construction Co LLC | Construction            | 8,942,137                              | 0.25%   |
| General Motors LLC           | Car Dealership          | 7,087,301                              | 0.20%   |
| Total                        |                         | <u><u>\$ 396,779,168</u></u>           | <u><u>11.02%</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 unit, each major fund, and the aggregate remaining fund information of Yadkin County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises Yadkin County's basic financial statements, and have issued our report thereon dated October 30, 2023. The financial statements of the Yadkin County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

**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.

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

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material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2023-001] that we consider to be a significant deficiency.

#### 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### 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 30, 2023



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

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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, 2023. 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, 2023.

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 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 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 [2023-002, 2023-003, 2023-004, 2023-005] 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 30, 2023



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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, 2023. 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, 2023.

**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 provide 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 [2023-002, 2023-003, 2023-004, 2023-005] 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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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
October 30, 2023

**Yadkin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Section I - Summary of Auditors' Results**

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**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  no
- Significant deficiency(s) identified  yes  none reported

Noncompliance material to financial statements noted  yes  no

**Federal Awards**

Internal control over major federal programs:

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

Identification of major federal programs:

| <u>Assistance Listing No.</u> | <u>Program Name</u>              |
|-------------------------------|----------------------------------|
| 93.658, 93.659                | Foster Care and Adoption Cluster |
| 93.778                        | Medical Assistance Program       |

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

Auditee qualified as low-risk auditee?  yes  no

**State Awards**

Internal control over major State programs:

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

**Yadkin County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

Identification of major State programs:

Program Name  
Foster Care and Adoption Cluster  
Medical Assistance Program  
Public School Building Capital Fund - Lottery Proceeds

Dollar threshold used to determine State major program:       \$      500,000      

Auditee qualified as low-risk auditee?       X       yes        no

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**Section II - Financial Statement Findings**

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**Finding 2023-001**      **Prior Period Adjustment**

**SIGNIFICANT DEFICIENCY**

Criteria: Management should have a system in place to verify that transactions are recorded in the correct fund, thereby reducing the likelihood of errors in financial reporting.

Condition: The County reflected prior period adjustments to properly accrue revenue from the Department of Revenue for Local Option Sales Tax and Franchise Tax in the General Fund in the amounts of \$934,278 and \$16,857, respectively. They also recorded adjustments in the Landfill Fund to properly accrue revenue from the Department of Revenue for Solid Waste Disposal Tax, White Goods, and Scrap Tire in the amounts of \$6,994, \$4,890, and \$16,775. Additionally, a lessor agreement that should have been recorded in the prior year as a result of the implementation of GASB 87 was adjusted to reflect the receivable balance of \$162,721, which was offset by Deferred Inflow for leases of \$162,015, which resulted in an increase to fund balance in the General Fund of \$706. The net effect of the adjustments on the fund statements resulted in an increase in fund balance in the General Fund of \$951,841 and an increase in the Landfill Fund of \$26,659. The County also discovered that a lessee agreement was not properly included in the prior year. This agreement was added to the beginning balances on the government-wide statements that increased the right to use leased assets by \$57,607, adjusted accumulated amortization by \$15,664, and recorded the lease liability at June 30, 2022, which was \$73,281. The net effect of these entries increased net position in the governmental activities on the government-wide statements by \$10.

Effect: The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause: The County understood that the accrual for August was for June sales, not realizing that the distribution received in September was actually for June sales. Since they had 12 months in revenue, they did not believe that that September distribution should be accrued. County has been in the process of implementing the new account standard.

Recommendation: The County should monitor account balances for reasonableness. If there is a significant change in billings, the account should be monitored to ensure proper billings are issued.

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

**Yadkin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

### **Section III - Federal Award Findings and Questioned Costs**

US Department of Health and Human Services

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

## **Finding: 2023-002 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 3 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 cases from of a total of 370,977 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, 2022-003

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 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. See Corrective Action Plan in the following section.

**Yadkin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

### **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: 2023-003 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 7 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. Of these, one beneficiary received assistance for which the recipient was not eligible.

Questioned Costs: The total questioned costs for the ineligibility error noted above did not meet the minimum threshold for reporting.

Context: We examined 60 cases from of a total of 370,977 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, 2022-004.

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 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. See Corrective Action Plan in the following section.

**Yadkin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

### 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

## 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 5 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 370,977 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, 2022-005.

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. See Corrective Action Plan in the following section.

**Yadkin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Section III. Federal Award Findings and Questioned Costs (continued)**

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**US Department of Health and Human Services**

**Passed through the NC Department of Health and Human Services**

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

**AL #: 93.778**

**Finding: 2023-005                    IV-D Cooperation with Child Support**

**SIGNIFICANT DEFICENCY**

**Eligibility**

Criteria:

In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determining Medicaid eligibility.

Condition:

There were 3 errors discovered during our procedures that referrals between Department of Social Services (DSS) and Child Support Agencies were not made.

Questioned Costs:

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

Context:

We examined 60 cases from a total of 370,977 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 North Carolina Families Accessing Services through Technology (NC FAST) and a participant could have been approved for benefits for which they were not eligible.

Cause:

Human error in reading the Automated Collection and Tracking System (ACTS) report and/or ineffective case review process.

Recommendation:

Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. 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. See Corrective Action Plan in the following section.

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**Section IV - State Award Findings and Questioned Costs**

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

AL# 93.778

SIGNIFICANT DEFICENCY: Finding 2023- 002, 2023-003, 2023-004, 2023-005 also apply to State requirements and State Awards.

*Kevin Austin, Chairman of Board  
David Moxley, Vice Chairman  
Cliff Collins, Commissioner  
Marion Welborn, Commissioner  
Frank Zachary, Commissioner*



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

## **Corrective Action Plan For the Year Ended June 30, 2023**

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### **Section II - Financial Statement Findings**

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**Finding: 2023-001**

Name of contact person: Lindsey Cearlock, Finance Director

Corrective Action: The Finance Office will review the ledger to ensure that all receivables are recorded accurately and that all leases are accurately reflected.

Proposed Completion Date: Immediately.

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### **Section III - Federal Award Findings and Questioned Costs**

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**Finding: 2023-002**

Name of contact person: Jessica Wall, Director

Corrective Action: The Yadkin County Human Services Agency (YCHSA) has revamped onboarding of new Medicaid staff to include individual staffing's with employee and their supervisor at least three times each week for a minimum of four months. These staffing's would include direct education on what information is used to accurately determine eligibility and how to document said actions. YCHSA is in the process of hiring an Eligibility Trainer to assist with onboarding of new staff, provide refresher trainings for established staff and conduct second party reviews. When issues are noted by the Trainer, they will notify the respective supervisor and provide follow-up training as needed (either in an individual or group setting). Knowledge checks will be administered following group training to determine if knowledge has increased. If not, supervisors will follow up with individual training on inaccurate information entry. YCHSA will continue to utilize policy portal for needed clarification on policy interpretation. YCHSA will send training requests to the Operational Support Team at least quarterly.

Proposed Completion Date: The onboarding process for YCHSA is an ongoing process. A training will be provided on the Single County Audit findings before 11/30/23. YCHSA will begin the hiring process for the Eligibility Trainer during the week of 10/30/23.

*Kevin Austin, Chairman of Board  
David Moxley, Vice Chairman  
Cliff Collins, Commissioner  
Marion Welborn, Commissioner  
Frank Zachary, Commissioner*



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

## **Corrective Action Plan For the Year Ended June 30, 2023**

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

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**Finding: 2023-003**

Name of contact person: Jessica Wall, Director

Corrective Action: YCHSA has revamped onboarding of new Medicaid staff to include individual staffing's with employee and their supervisor at least three times each week for a minimum of four months. These staffing's would include direct education on what resources are used to accurately determine eligibility and how to document said resources. YCHSA is in the process of hiring an Eligibility Trainer to assist with onboarding of new staff, provide refresher trainings for established staff and conduct second party reviews. When issues are noted by the Trainer, they will notify the respective supervisor and provide follow-up training as needed (either in an individual or group setting). Knowledge checks will be administered following group training to determine if knowledge has increased. If not, supervisors will follow up with individual training on inaccurate resource entry. YCHSA will continue to utilize policy portal for needed clarification on policy interpretation. YCHSA will send training requests to the Operational Support Team at least quarterly.

Proposed Completion Date: The onboarding process for YCHSA is an ongoing process. A training will be provided on the Single County Audit findings before 11/30/23. YCHSA will begin the hiring process for the Eligibility Trainer during the week of 10/30/23.

**Finding: 2023-004**

Name of contact person: Jessica Wall, Director

Corrective Action: YCHSA has revamped onboarding of new Medicaid staff to include individual staffing's with employee and their supervisor at least three times each week for a minimum of four months. These staffing's would include direct education on what information should be used to accurately determine eligibility and how to document said information. YCHSA is in the process of hiring an Eligibility Trainer to assist with onboarding of new staff, provide refresher trainings for established staff and conduct second party reviews. When issues are noted by the Trainer, they will notify the respective supervisor and provide follow-up training as needed (either in an individual or group setting). Knowledge checks will be administered following group training to determine if knowledge has increased. If not, supervisors will follow up with individual training on appropriate requests for information. YCHSA will continue to utilize policy portal for needed clarification on policy interpretation. YCHSA will send training requests to the Operational Support Team at least quarterly.

Proposed Completion Date: The onboarding process for YCHSA is an ongoing process. A training will be provided on the Single County Audit findings before 11/30/23. YCHSA will begin the hiring process for the Eligibility Trainer during the week of 10/30/23.

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David Moxley, Vice Chairman  
Cliff Collins, Commissioner  
Marion Welborn, Commissioner  
Frank Zachary, Commissioner*



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

## **Corrective Action Plan For the Year Ended June 30, 2023**

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

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**Finding: 2023-005**

Name of contact person: Jessica Wall, Director

Corrective Action: YCHSA has revamped onboarding of new Medicaid staff to include individual staffing's with employee and their supervisor at least three times each week for a minimum of four months. These staffing's would include direct education on when Child Support referrals are necessary and how to document. YCHSA is in the process of hiring an Eligibility Trainer to assist with onboarding of new staff, provide refresher trainings for established staff and conduct second party reviews. When issues are noted by the Trainer, they will notify the respective supervisor and provide follow-up training as needed (either in an individual or group setting). Knowledge checks will be administered following group training to determine if knowledge has increased. If not, supervisors will follow up with individual training on appropriate Child Support referrals. YCHSA will continue to utilize policy portal for needed clarification on policy interpretation. YCHSA will send training requests to the Operational Support Team at least quarterly.

Proposed Completion Date:

The onboarding process for YCHSA is an ongoing process. A training will be provided on the Single County Audit findings before 11/30/23. YCHSA will begin the hiring process for the Eligibility Trainer during the week of 10/30/23.

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### **Section IV - State Award Findings and Questioned Costs**

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Corrective actions for Finding 2023-002, 2023-003, 2023-004, and 2023-005 also apply to State award findings.

**Yadkin County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2023**

Finding: 2022-001  
Status: Corrected

Finidng: 2022-002  
Status: Corrected

Finidng: 2022-003  
Status: Repeated as finding 2023-002

Finidng: 2022-004  
Status: Repeated as finding 2023-003

Finidng: 2022-005  
Status: Repeated as finding 2023-004

**YADKIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

| Grantor/Pass-through<br>Grantor/Program title                               | Federal<br>Assistance<br>Listing No. | State/<br>Pass-through      |  | Federal<br>Expenditures | State<br>Expenditures | Provided to<br>Subrecipients | Local<br>Expenditures |  |  |  |  |  |
|---|--------------------------------------|-----------------------------|--|-------------------------|-----------------------|------------------------------|-----------------------|--|--|--|--|--|
|   |                                      | Grantor's<br>Number         |  |                         |                       |                              |                       |  |  |  |  |  |
| <b>FEDERAL AWARDS</b>   |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| <u>U.S. Department of Agriculture</u>                                       |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Natural Resources Conservation Service                                      |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Watershed Rehabilitation Program  | 10.916                               |                             |  | \$ 45,962               | \$ -                  | \$ -                         | \$ -                  |  |  |  |  |  |
| 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               |  | 200,657                 | -                     | -                            | -                     |  |  |  |  |  |
| Passed through N.C. Department of Health and Human Services                 |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Division of Social Services   |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Administration:   |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| SNAP Cluster  |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| State Administrative Matching Grants  |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| for Supplemental Nutrition Assist. Program                                  | 10.561                               | 175NC406S2514               |  | 206,069                 | -                     | -                            | 206,068               |  |  |  |  |  |
| FNS - ARPA  | 10.561                               |                             |  | 49,739                  | -                     | -                            | -                     |  |  |  |  |  |
| Total Supplemental Nutrition Assist. Program                                |                                      |                             |  | 255,808                 | -                     | -                            | 206,068               |  |  |  |  |  |
| Total U.S. Department of Agriculture  |                                      |                             |  | 502,427                 | -                     | -                            | 206,068               |  |  |  |  |  |
| <u>U.S. Department of Treasury</u>  |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Passed-through the N.C. Department of Environment Quality                   |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Coronavirus State Local Fiscal Recovery Funds                               | 21.027                               | VUR-T-ARP-0094              |  | 299                     | -                     | -                            | -                     |  |  |  |  |  |
| Total of U.S. Department of Treasury  |                                      |                             |  | 299                     | -                     | -                            | -                     |  |  |  |  |  |
| <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                               |                             |  | 21,721                  | -                     | -                            | -                     |  |  |  |  |  |
| Maternal and Child Health Federal Consolidated Programs                     | 93.110                               |                             |  | 23,161                  | -                     | -                            | -                     |  |  |  |  |  |
| Project Grants and Cooperative Agreements for                               | 93.116                               |                             |  | 34                      | -                     | -                            | -                     |  |  |  |  |  |
| Family Planning Services  | 93.217                               |                             |  | 34,773                  | -                     | -                            | -                     |  |  |  |  |  |
| Immunization Cooperation Agreements   | 93.268                               |                             |  | 13,164                  | -                     | -                            | -                     |  |  |  |  |  |
| COVID-19 Immunization Cooperation Agreements                                | 93.268                               |                             |  | 43,325                  | -                     | -                            | -                     |  |  |  |  |  |
| Total Immunization Cooperation Agreements                                   |                                      |                             |  | 56,489                  | -                     | -                            | -                     |  |  |  |  |  |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)          | 93.323                               |                             |  | 53,460                  | -                     | -                            | -                     |  |  |  |  |  |
| COVID-19 - Public Health Emergency Response:                                | 93.354                               |                             |  | 85,905                  | -                     | -                            | -                     |  |  |  |  |  |
| Cooperative Agreement for Emergency Response: Public Health Crisis Response |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Sexually Transmitted Diseases (STD) Prevention and Control Grants           | 93.977                               |                             |  | 59,134                  | -                     | -                            | -                     |  |  |  |  |  |
| Preventive Health and Health Services Block Grant                           | 93.991                               |                             |  | 28,828                  | -                     | -                            | -                     |  |  |  |  |  |
| Maternal and Child Health Services Block Grant                              | 93.994                               |                             |  | 47,762                  | 5,647                 | -                            | -                     |  |  |  |  |  |
| Division of Social Services   |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| Temporary Assistance for Needy Families (TANF) Cluster                      |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| TANF - Work First   | 93.558                               |                             |  | 296,114                 | -                     | -                            | 209,473               |  |  |  |  |  |
| Division of Public Health   |                                      |                             |  |                         |                       |                              |                       |  |  |  |  |  |
| TANF - Work First   | 93.558                               | G1601NCTANF/<br>G1701NCTANF |  | 4,025                   | -                     | -                            | -                     |  |  |  |  |  |
| Total TANF Cluster  |                                      |                             |  | 300,139                 | -                     | -                            | 209,473               |  |  |  |  |  |

**YADKIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

| Grantor/Pass-through<br>Grantor/Program title              | Federal<br>Assistance<br>Listing No. | State/<br>Pass-through       |  | Federal<br>Expenditures | State<br>Expenditures | Provided to<br>Subrecipients | Local<br>Expenditures |
|--|--------------------------------------|------------------------------|--|-------------------------|-----------------------|------------------------------|-----------------------|
|  |                                      | Grantor's<br>Number          |  |                         |                       |                              |                       |
| Foster Care and Adoption Cluster:                          |                                      |                              |  |                         |                       |                              |                       |
| Foster Care - Title IV-E                                   | 93.658                               | 17021NCFOST                  |  | 464,277                 | 91,281                | -                            | 266,887               |
| Adoption Assistance  | 93.659                               | 1701NCADPT                   |  | 17,918                  | -                     | -                            | 17,918                |
| Foster Care  | N/A                                  |                              |  | 4,295                   | -                     | -                            | -                     |
| Total Foster Care and Adoption Cluster                     |                                      |                              |  | 486,490                 | 91,281                | -                            | 284,805               |
| Child Support Enforcement                                  | 93.563                               | 1704NC4005                   |  | 275,706                 | (247)                 | -                            | 142,277               |
| Refugee Assistance - Admin                                 | 93.566                               |                              |  | 1                       | -                     | -                            | -                     |
| Family Preservation - Admin                                | 93.556                               |                              |  | 26,091                  | -                     | -                            | -                     |
| Low-Income Home Energy Assistance                          |                                      |                              |  |                         |                       |                              |                       |
| Administration   | 93.568                               | G16B1NCLIEA /<br>G17B1NCLIEA |  | 19,501                  | -                     | -                            | -                     |
| Energy Assistance Payments                                 | 93.568                               |                              |  | 38,652                  | -                     | -                            | -                     |
| Crisis Intervention Program                                | 93.568                               |                              |  | 56,556                  | -                     | -                            | -                     |
| LIEAP ARPA   | 93.568                               |                              |  | 215,902                 | -                     | -                            | -                     |
| LIHWAP ADM   | 93.568                               |                              |  | 2,361                   | -                     | -                            | -                     |
| LIHWAP ARPA  | 93.568                               |                              |  | 13,169                  | -                     | -                            | -                     |
| LIHWAP ARPA ADM  | 93.568                               |                              |  | 3,699                   | -                     | -                            | -                     |
| LIHWAP CAA   | 93.568                               |                              |  | 7,117                   | -                     | -                            | -                     |
| Total Low-Income Home Energy Assistance                    |                                      |                              |  | 356,957                 | -                     | -                            | -                     |
| Stephanie Tubbs Jones Child Welfare Services Program       |                                      |                              |  |                         |                       |                              |                       |
| Permanency Planning - Families for Kids                    | 93.645                               | G1701NCCWSS                  |  | 8,558                   | -                     | -                            | 2,853                 |
| Total Stephanie Tubbs Jones Child Welfare Services Program |                                      |                              |  |                         |                       |                              |                       |
| Chafee Foster Care Independence Program                    | 93.674                               | G1501NC1420 /<br>G1601NC1420 |  | 15,399                  | 1,832                 | -                            | -                     |
| SSBG - Other Service and Training                          | 93.667                               |                              |  | 123,987                 | -                     | -                            | 41,329                |
| Division of Aging and Adult Services:                      |                                      |                              |  |                         |                       |                              |                       |
| Division of Social Services                                |                                      |                              |  |                         |                       |                              |                       |
| SSBG - Adult Protective Services                           | 93.667                               |                              |  | 34,154                  | -                     | -                            | 6,518                 |
| SSBG - In Home Service                                     | 93.667                               |                              |  | 26,227                  | -                     | -                            | 3,747                 |
| Passed-through Piedmont Triad Regional Council             |                                      |                              |  |                         |                       |                              |                       |
| SSBG - In Home Service                                     | 93.667                               |                              |  | 12,210                  | 349                   | -                            | -                     |
| Total Social Service Block Grant                           |                                      |                              |  | 196,578                 | 349                   | -                            | 51,594                |
| Division of Child Development and Early Education          |                                      |                              |  |                         |                       |                              |                       |
| Subsidized Child Care                                      |                                      |                              |  |                         |                       |                              |                       |
| <u>Child Care Development Fund Cluster:</u>                |                                      |                              |  |                         |                       |                              |                       |
| Division of Social Services                                |                                      |                              |  |                         |                       |                              |                       |
| Childcare Development Mandatory and                        |                                      |                              |  |                         |                       |                              |                       |
| Match Fund - Administration                                | 93.596                               | DSS 2017                     |  | 81,890                  | -                     | -                            | -                     |
| Total Subsidized Child Care                                |                                      |                              |  | 81,890                  | -                     | -                            | -                     |
| Passed through Piedmont Triad Council of Governments       |                                      |                              |  |                         |                       |                              |                       |
| <u>Aging Cluster:</u>                                      |                                      |                              |  |                         |                       |                              |                       |
| Special Programs for the Aging - Title III B               |                                      |                              |  |                         |                       |                              |                       |
| Grants for Supportive Services and Senior Centers          | 93.044                               | NC007 (17)                   |  | 30,407                  | 1,789                 | -                            | -                     |
| ARPA - In-Home/ Supp Services                              | 93.044                               |                              |  | 31,639                  | 5,583                 | -                            | -                     |
| Special Programs for the Aging - Title III C               |                                      |                              |  |                         |                       |                              |                       |
| Nutrition Services   | 93.045                               | NC007 (17)                   |  | 118,244                 | 6,956                 | -                            | -                     |
| ARPA - Congregate Meals                                    | 93.045                               |                              |  | 22,186                  | 3,915                 | -                            | -                     |

**YADKIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

| Grantor/Pass-through<br>Grantor/Program title           | Federal<br>Assistance<br>Listing No. | State/<br>Pass-through<br>Grantor's<br>Number | State/<br>Pass-through  |                       |                              |                       |
|---|--------------------------------------|---|-------------------------|-----------------------|------------------------------|-----------------------|
|   |                                      |   | Federal<br>Expenditures | State<br>Expenditures | Provided to<br>Subrecipients | Local<br>Expenditures |
| Nutrition Services Incentive Program                    | 93.053                               | NC007 (17)                                    | 26,095                  | -                     | -                            | -                     |
| Total Aging Cluster                                     |                                      |   | 228,571                 | 18,243                | -                            | -                     |
| Medical Assistance Program                              | 93.778                               | XIX-MAP17                                     | 825,086                 | 109,342               | -                            | 282,261               |
| State Children's Insurance Program - N.C. Health Choice | 93.767                               | CHIP17  | 29,113                  | 2,070                 | -                            | 4,636                 |
| Total U.S. Department of Health and Human Services      |                                      |   | 3,241,846               | 228,517               | -                            | 977,899               |

**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 | 20,625 | - | - | - |
| Emergency Management Performance Grants - ARPA |        | RMDS 1500 | 12,500 |   |   |   |
| Total U.S. Department of Homeland Security     |        |           | 33,125 | - | - | - |

Total Federal Awards

\$ 3,777,697 \$ 228,517 \$ - \$ 1,183,967

**STATE AWARDS**

**N.C. Department of Health and Human Services**

Division of Public Health

|  |                  |      |          |      |      |   |
|--|------------------|------|----------|------|------|---|
| Food and Lodging Fees                              |                  | \$ - | \$ 5,260 | \$ - | \$ - | - |
| PH Capacity Building                               |                  | -    | 79,113   | -    | -    | - |
| Public Health Nursing                              |                  | -    | 290      | -    | -    | - |
| General Communicable Disease Control               | 1175 4510 00     | -    | 11,307   | -    | -    | - |
| Healthy Community Activities                       |                  | -    | 3,746    | -    | -    | - |
| Child Health                                       | 1271 5745 00     | -    | 6,212    | -    | -    | - |
| HIV/STD State                                      |                  | -    | 250      | -    | -    | - |
| School Nurse Funding Initiative                    | 1332 5358 AV, 00 | -    | 50,000   | -    | -    | - |
| Family Planning - State                            | 13A1 5735 00     | -    | 8,575    | -    | -    | - |
| Maternal Health (HMHC)                             | 13A1 5740 00     | -    | 20,570   | -    | -    | - |
| Women's Health Service Fund                        | 13A1 1306 FR     | -    | 6,211    | -    | -    | - |
| TB Control   |                  | -    | 270      | -    | -    | - |
| COVID-19 Support for County Confinement Facilities | RFA A399         |      | 71,352   |      |      |   |
| Total Division of Public Health                    |                  | -    | 263,156  | -    | -    | - |

Division of Social Services:

|                                   |  |   |         |   |           |   |
|-----------------------------------|--|---|---------|---|-----------|---|
| State Child Welfare/CPS/CS LD     |  | - | 6,083   | - | -         | - |
| County Funded Programs            |  | - | -       | - | 655,619   | - |
| Non-Allocating County Cost        |  | - | -       | - | 242,793   | - |
| WRK FRT NON REIMBURSABLE          |  | - | -       | - | -         | - |
| Extended FC/Max Non IV-E          |  | - | 66,634  | - | -         | - |
| SFHF Maximization                 |  | - | 179,368 | - | 161,362   | - |
| State Foster Home                 |  | - | 84,325  | - | 73,787    | - |
| F/C Risk Maximization             |  | - | 15,530  | - | 5,626     | - |
| Total Division of Social Services |  | - | 351,940 | - | 1,139,187 | - |

Passed-Through the Piedmont Triad Regional Council

Division of Aging and Adult Services:

|  |  |   |         |   |           |   |
|--|--|---|---------|---|-----------|---|
| State Funds -Access                                |  | - | 598     | - | -         | - |
| State Funds - Home Delivered Meals                 |  | - | 53,363  | - | -         | - |
| State Funds - In-Home Services                     |  | - | 77,389  | - | -         | - |
| Total Division of Aging                            |  | - | 131,350 | - | -         | - |
| Total N.C. Department of Health and Human Services |  | - | 746,446 | - | 1,139,187 | - |

**YADKIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

| Grantor/Pass-through<br>Grantor/Program title               | Federal<br>Assistance<br>Listing No. | State/<br>Pass-through |        | Federal<br>Expenditures | State<br>Expenditures | Provided to<br>Subrecipients | Local<br>Expenditures |
|---|--------------------------------------|------------------------|--------|-------------------------|-----------------------|------------------------------|-----------------------|
|   |                                      | Grantor's<br>Number    | Number |                         |                       |                              |                       |
| <u>NC State Bureau of Investigation</u>                     |                                      |                        |        |                         |                       |                              |                       |
| Internet Crimes Against Children (ICAC)                     |                                      | Session Law 2021-180   |        | -                       | 23,389                | -                            | -                     |
| <u>N.C. Dept. of Public Safety</u>                          |                                      |                        |        |                         |                       |                              |                       |
| Juvenile Crime Prevention Programs                          |                                      | RMDS 1240              |        | -                       | 184,618               | -                            | -                     |
| JCPC - Community Program Services                           |                                      | RMDS 1230              |        | -                       | 140,484               | -                            | -                     |
| Total Juvenile Crime Prevention Programs                    |                                      |                        |        | -                       | 325,102               | -                            | -                     |
| Sheriff Assistance Grant                                    |                                      | RMDS 1100              |        | -                       | 70,238                | -                            | -                     |
| Emergency Management Capacity Building Competitive Grant    |                                      |                        |        | -                       | 134,208               | -                            | -                     |
| Total Agency N.C. Department of Public Safety               |                                      |                        |        | -                       | 529,548               | -                            | -                     |
| <u>N.C. Dept. of Administration</u>                         |                                      |                        |        |                         |                       |                              |                       |
| Division of Veteran Affairs                                 |                                      | 143B-1211C4            |        | -                       | 2,083                 | -                            | -                     |
| Veterans Service  |                                      |                        |        | -                       | 2,083                 | -                            | -                     |
| Total N.C. Department of Administration                     |                                      |                        |        |                         |                       |                              |                       |
| <u>N.C. Department of Agriculture and Consumer Services</u> |                                      |                        |        |                         |                       |                              |                       |
| Spay Neuter Program   |                                      | Reimbursement Program  |        | -                       | 9,937                 | -                            | -                     |
| ASCP - Cost Share   |                                      | YADKIN17               |        | -                       | 288,710               | -                            | -                     |
| NC DENR Matching Funds                                      |                                      | 40100296315SWC         |        | -                       | 3,600                 | -                            | -                     |
| Stream Debris Removal Program                               |                                      |                        |        | -                       | 141,978               | -                            | -                     |
| Total N.C. Department of Agriculture and Consumer Services  |                                      |                        |        | -                       | 444,225               | -                            | -                     |
| <u>N.C. Department of Transportation</u>                    |                                      |                        |        |                         |                       |                              |                       |
| ROAP Cluster  |                                      | DOT-16CL               |        | -                       | 82,798                | -                            | -                     |
| ROAP - RGP  |                                      | 36228.22.11.1          |        |                         |                       |                              |                       |
| ROAP - EDTAP  |                                      | DOT-16CL               |        | -                       | 73,475                | -                            | -                     |
|   |                                      | 36220.10.11.1          |        |                         |                       |                              |                       |
| ROAP - EMPLOYMENT   |                                      | DOT-16CL               |        | -                       | 12,312                | -                            | -                     |
|   |                                      | 36236.11.10.1          |        |                         |                       |                              |                       |
| Total ROAP Cluster  |                                      |                        |        | -                       | 168,585               | -                            | -                     |
| Total N.C. Department of Transportation                     |                                      |                        |        | -                       | 168,585               | -                            | -                     |
| <u>N.C. Department of Environmental Quality</u>             |                                      |                        |        |                         |                       |                              |                       |
| Asset Inventory and Assessment Grants                       |                                      |                        |        | -                       | 52,800                | -                            | -                     |
| Total N.C. Department of Environmental Quality              |                                      |                        |        | -                       | 52,800                | -                            | -                     |
| <u>N.C. Office of State Budget and Management</u>           |                                      |                        |        |                         |                       |                              |                       |
| State Capital Infrastructure Fund                           |                                      |                        |        | -                       | 195,859               | -                            | -                     |
| Total N.C. Department of Public Instruction                 |                                      |                        |        | -                       | 195,859               | -                            | -                     |
| <u>N.C. Department of Public Instruction</u>                |                                      |                        |        |                         |                       |                              |                       |
| Public School Building Capital Fund - Lottery Proceeds      |                                      |                        |        | -                       | 450,000               | 450,000                      | -                     |
| Total N.C. Department of Public Instruction                 |                                      |                        |        | -                       | 450,000               | 450,000                      | -                     |
| Total State Assistance                                      |                                      |                        |        | -                       | 2,612,935             | 450,000                      | 1,139,187             |
| <b>Other Financial Assistance:</b>                          |                                      |                        |        |                         |                       |                              |                       |
| <u>NC Dept. of Justice</u>                                  |                                      |                        |        |                         |                       |                              |                       |
| Opioid Settlement Fund (Note 6)                             |                                      |                        |        | -                       | 11,037                | -                            | -                     |
| Total Assistance Federal and State Assistance               |                                      |                        |        |                         | \$ 3,777,697          | \$ 2,852,489                 | \$ 450,000            |
|   |                                      |                        |        |                         |                       |                              | \$ 2,323,154          |

**YADKIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

**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, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Yadkin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Yadkin County.

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

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

**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

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

**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 | \$ 8,406,367 | \$ -       |
| Special Supplemental Nutrition Program for Women Infant and Children's Health Insurance Program | 10.557 | 559,334      | -          |
| Medical Assistance Program  | 93.767 | 338,833      | 75,740     |
| IV-E Adopt & Vendor   | 93.778 | 56,170,444   | 21,684,191 |
| TANF - PEAF   | 93.659 | 622,450      | 135,467    |
| TANF Payments & Penalties   | 93.558 | 33,491       | -          |
| CWS Adopt, Vendor, Guard  | 93.558 | 84,337       | 171,646    |
| SC/SA Domiciliary Care  | N/A    | -            | 124,251    |
|   | N/A    | -            | 130,886    |

**Note 6: Opioid Settlement Fund**

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.