

YADKIN COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 Assessor

Lindsay Cranford

Tax Collector

Tanya Gentry

Clerk to the Board

Nick Smitherman

Sheriff

YADKIN COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2024

	<u>Page(s)</u>
FINANCIAL SECTION	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
<u>Exhibit</u>	Government-wide Financial Statements:
1	Statement of Net Position 13
2	Statement of Activities 14
	Fund Financial Statements:
3	Balance Sheet – Governmental Funds 15
3a	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 16
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 17
4a	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities 18
5	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 19
6	Statement of Net Position - Proprietary Funds 20
7	Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds 21
8	Statement of Cash Flows – Proprietary Funds 22-23
9	Statement of Fiduciary Net Position – Fiduciary Funds 24
10	Statement of Changes in Fiduciary Net Position - Fiduciary Funds 25
	Notes to the Financial Statements 26 - 64

YADKIN COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2024

Required Supplemental Financial Data:		<u>Page(s)</u>
<u>Schedule</u>		
A-1	Local Government Employee's Retirement System - Schedule of Proportionate Share of the Net Pension Liability (Asset)	65
A-2	Local Government Employee's Retirement System - Schedule of County's Contributions	66
A-3	Register of Deeds' Supplemental Pension Fund - Schedule of Proportionate Share of the Net Pension Liability (Asset)	67
A-4	Register of Deeds' Supplemental Pension Fund - Schedule of County's Contributions	68
A-5	Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability (LEO)	69
A-6	Law Enforcement Officers' Special Separation Allowance- Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEO)	70
A-7	Schedule of Changes in the Total OPEB Liability and Related Ratios	71
Supplementary Information:		
B-1	General Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72 - 79
C-1	Other Major Governmental Fund: Opioid Settlement Fund- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	80
C-2	Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
D-1	Non-Major Governmental Funds: Combining Balance Sheet	82
D-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	83

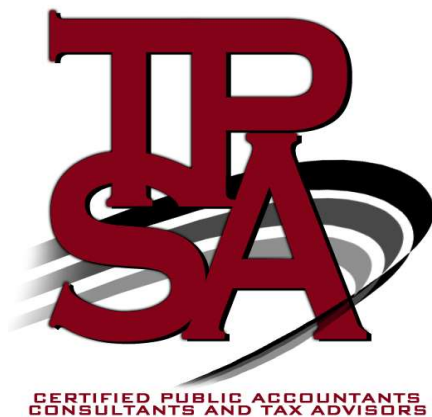
YADKIN COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2024

	<u>Page(s)</u>
Non-Major Special Revenue Funds:	
D-3 Combining Balance Sheet	84
D-4 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
D-5 Emergency Telephone System Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86
D-6 Law Enforcement Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
D-7 Fire Districts Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	88
D-8 Occupancy Tax Revenue Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89
D-9 Deed of Trust Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
D-10 Fines and Forfeitures Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	91
D-11 Representative Payee Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	92
D-12 Corona Virus Relief Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	93
Non-Major Capital Project Fund:	
D-13 Vehicle Replacement Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	94
Enterprise Fund:	
E-1 Landfill Fund - Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)	95 - 96
E-2 Water and Sewer Fund: Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	97 - 98

YADKIN COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2024

	<u>Page(s)</u>
Internal Service Fund:	
E-3 Group Insurance Internal Service Fund: Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	99
Combining Fiduciary Fund Statements - Custodial Funds	
F-1 Combining Statement of Fiduciary Net Position - Custodial Funds	100
F-2 Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	101
Additional Financial Data:	
G-1 Schedule of Ad Valorem Taxes Receivable - General Fund	102
G-2 Analysis of Current Tax Levy - County-Wide Levy	103 - 104
G-3 Ten Largest Taxpayers	105
 COMPLIANCE SECTION	
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .	106 - 107
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act	108 - 110
Independent Auditors' Report on Compliance with Requirements Applicable to each Major State Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	111 - 113
Schedule of Findings and Questioned Costs	114 - 118
Corrective Action Plan	119 - 120
Summary Schedule of Prior Audit Findings	121
Schedule of Expenditures of Federal and State Awards	122 - 127

FINANCIAL SECTION



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

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, 2024, 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, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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

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 23, 2024 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 23, 2024

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, 2024. 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.

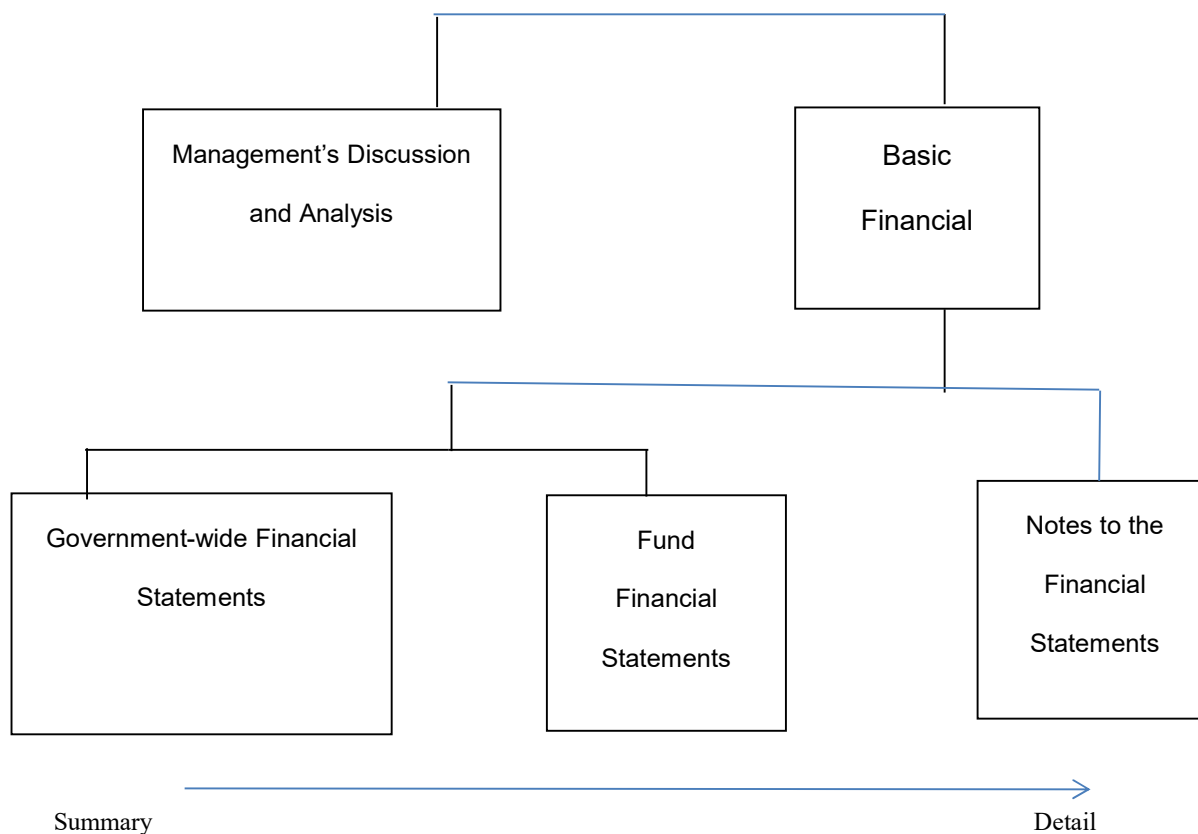
Financial Highlights

- 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 \$79,693,442 (net position).
- The County's total net position increased by \$3,052,992, primarily due to controlled expenses and project expenses that are capitalized. Net position was also increased by \$5,604,454 resulting from a restatement due to a change in accounting principle for the treatment of Opioid settlement proceeds, further discussed in note IX in the notes to the financial statements.
- As of the close of the current fiscal year, Yadkin County's total governmental funds reported combined ending fund balances of \$33,290,330, after a net increase in fund balance of \$250,884 and a prior period adjustment of \$458,318 (see note IX for more details). Approximately 20.52% of this total amount, or \$6,830,168, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,068,975 or 29.04 percent of total General Fund expenditures and transfers out less lease 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 \$79,693,442 as of June 30, 2024. The County's net position increased by \$8,657,446 for the fiscal year ended June 30, 2024, with \$5,604,454 of the increase due to a restatement in opening net position (see note IX for more details). One of the largest portions of net position \$58,104,002 (72.91%), 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, \$6,880,109, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,402,561 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, 2024.

Yadkin County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 44,157,670	\$ 38,510,692	\$ 702,054	\$ 997,868	\$ 44,859,724	\$ 39,508,560
Capital assets	58,986,266	57,382,723	8,864,070	9,090,868	67,850,336	66,473,591
Total assets	103,143,936	95,893,415	9,566,124	10,088,736	112,710,060	105,982,151
Total deferred outflows of resources	8,269,169	8,048,493	150,381	152,626	8,419,550	8,201,119
Long-term liabilities						
outstanding	26,823,585	30,141,403	2,949,157	3,154,764	29,772,741	33,296,167
Other liabilities	9,640,182	7,461,043	418,286	387,772	10,058,468	7,848,815
Total liabilities	36,463,767	37,602,446	3,367,442	3,542,536	39,831,209	41,144,982
Total deferred inflows of resources	1,582,794	1,975,544	22,165	26,748	1,604,959	2,002,292
Net position:						
Net investment in capital assets	52,083,874	48,475,259	6,020,128	6,038,400	58,104,002	54,513,659
Restricted	6,880,109	5,313,250	-	-	6,880,109	5,313,250
Unrestricted	14,402,561	10,575,409	306,770	633,678	14,709,331	11,209,087
Total net position	\$ 73,366,544	\$ 64,363,918	\$ 6,326,898	\$ 6,672,078	\$ 79,693,442	\$ 71,035,996

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 98.09%, which is slightly lower than the prior year's collection percentage of 98.11%.
- Continued decreases in long-term liabilities as existing debt principal was repaid.

Yadkin County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,795,684	\$ 4,448,204	\$ 3,279,887	\$ 3,344,271	\$ 8,075,571	\$ 7,792,475
Operating grants and contributions	9,181,690	6,830,374	183,764	120,901	9,365,454	6,951,275
Capital grants and contributions	1,980,766	854,142	-	2,656	1,980,766	856,798
General revenues:						
Property taxes	28,397,120	24,333,461	-	-	28,397,120	24,333,461
Other taxes	12,229,644	12,647,710	-	-	12,229,644	12,647,710
Other	725,754	598,976	-	-	725,754	598,976
Total revenues	57,310,658	49,712,867	3,463,651	3,467,828	60,774,309	53,180,695
Expenses:						
General government	8,056,837	7,746,712	-	-	8,056,837	7,746,712
Public safety	18,232,460	15,969,646	-	-	18,232,460	15,969,646
Economic and physical development	1,377,635	960,124	-	-	1,377,635	960,124
Environmental protection	1,413,731	241,978	-	-	1,413,731	241,978
Human services	12,173,880	9,886,206	-	-	12,173,880	9,886,206
Cultural and recreation	800,231	484,054	-	-	800,231	484,054
Education	11,568,986	8,992,811	-	-	11,568,986	8,992,811
Interest on long-term debt	288,726	372,590	-	-	288,726	372,590
Landfill	-	-	2,983,184	2,803,137	2,983,184	2,803,137
Water and sewer	-	-	825,647	779,024	825,647	779,024
Total expenses	53,912,486	44,654,121	3,808,831	3,582,161	57,721,317	48,236,282
Increase (decrease) in net position before transfers	3,398,172	5,058,746	(345,180)	(114,333)	3,052,992	4,944,413
Transfers	-	(26,320)	-	26,320	-	-
Increase (decrease) in net position	3,398,172	5,032,426	(345,180)	(88,013)	3,052,992	4,944,413
Net position, beginning, restated	69,968,372	59,331,492	6,672,078	6,760,091	76,640,450	66,091,583
Net position, ending	\$ 73,366,544	\$ 64,363,918	\$ 6,326,898	\$ 6,672,078	\$ 79,693,442	\$ 71,035,996

Governmental activities. Governmental activities increased the County's net position by \$3,398,172. Key elements of this increase are as follows:

- Increase in local option sales tax funds
- Increase in property tax revenue
- Receipt of increased programs revenues, primarily relating to operating and capital grants.

Business-type activities. Business-type activities decreased the County's net position by \$345,180. Key elements of this decrease are as follows:

- Operations of the landfill decreased net position of the business-type activities by \$40,729, while operations of the Water and Sewer Fund decreased net position by \$304,451. 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 \$19,239,515 while total fund balance reached \$23,814,372. Overall, fund balance increased \$958,625 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 37.08 percent of total General Fund expenditures, while total fund balance represents 45.90 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 \$33,290,330, an increase of \$250,884 in comparison with the prior year. Opening fund balance was also increased by \$458,318 due to a prior period adjustment impacting the Opioid Settlement Funds (see note IX). Other contributing factors to this increase are an increase in local option sales tax revenue, property tax collections, and Opioid settlement proceeds.

At the end of the current fiscal year, Yadkin County's fund balance in the Capital Projects Fund was \$7,171,628. Overall, fund balance decreased \$1,352,372 from current year activities, with the majority of the decrease being due to ongoing projects in the fund which are utilizing the funding the County has previously moved to finance those 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 \$8,660,976. Appropriated fund balance was \$4,667,944.

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, 2024, unrestricted net position of the Landfill Fund (Solid Waste Fund) was \$27,959. The total decrease in the unrestricted net position of the Landfill Fund (Solid Waste Fund) was \$214,931, as compared to the unrestricted net position of \$242,890 at June 30, 2023.

At June 30, 2024, unrestricted net position of the Water and Sewer Fund totaled \$278,811. The total decrease in the unrestricted net position of the Water and Sewer Fund was \$111,977, as compared to the unrestricted net position of \$390,788 at June 30, 2023. 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, 2024, totals \$67,850,336 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements, furniture, fixtures and equipment, construction in progress, machinery and equipment, vehicles, and right to use assets.

Yadkin County's Capital Assets (net of depreciation/amortization)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,382,206	\$ 6,351,324	\$ 278,462	\$ 278,462	\$ 6,660,668	\$ 6,629,786
Construction in process	4,005,083	1,051,541	-	-	4,005,083	1,051,541
Buildings	43,219,626	43,904,439	30,143	32,511	43,249,769	43,936,950
Improvements	-	-	15,525	17,962	15,525	17,962
Water and sewer lines	-	-	8,307,685	8,703,600	8,307,685	8,703,600
Furniture and equipment	716,737	953,729	232,255	53,248	948,992	1,006,977
Vehicles	1,397,716	1,201,246	-	-	1,397,716	1,201,246
Right to use leased assets	3,264,898	3,920,444	-	5,085	3,264,898	3,925,529
Total	\$ 58,986,266	\$ 57,382,723	\$ 8,864,070	\$ 9,090,868	\$ 67,850,336	\$ 66,473,591

Major capital asset transactions during the year include:

- Purchase of new vehicles for the Sheriff's Office, Emergency Management, and Human Services
- Various building improvements
- Continued Watershed Project costs
- New track loader in Landfill fund
- Costs associated with the Yadkin County Facilities project

Long-Term Debt

Yadkin County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment purchase obligations	\$ 10,071,723	\$ 13,070,691	\$ 2,843,942	\$ 3,047,081	\$ 12,915,665	\$ 16,117,772
Lease liability	2,964,029	3,406,879	-	5,387	2,964,029	3,412,266
IT Subscription liability	66,640	179,894	-	-	66,640	179,894
Net pension liability (LGERS)	10,020,658	8,368,014	194,458	162,389	10,215,116	8,530,403
Total pension liability (LEOSSA)	753,941	715,191	-	-	753,941	715,191
Compensated absences	988,665	954,963	19,578	16,713	1,008,243	971,676
Total OPEB Liability	7,419,541	7,288,393	137,744	135,310	7,557,285	7,423,703
	\$ 32,285,197	\$ 33,984,025	\$ 3,195,722	\$ 3,366,880	\$ 35,480,919	\$ 37,350,905

Yadkin County's total debt decreased by \$1,869,986 (5.01 percent) during the past fiscal year, primarily due to scheduled principal repayments on existing installment purchase agreements and lease/subscription IT arrangement 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 \$337,385,850.

Economic Factors and Next Year's Budgets and Rates

- The County's unemployment rate has decreased from 3.30% in June of 2023 to 3% in June of 2024, which is below the state average of 3.8%.
- 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 2024-25 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities: The General Fund projected revenues are expected to be higher than anticipated revenues realized during the fiscal year ended June 30, 2024, primarily due to the increase in revenues such as sales tax, rental income from office space at the Yadkin County Medical Campus and the Yadkin County Agricultural & Education Building. The General Fund expenses are to increase compared to the fiscal year ended June 30, 2024 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 and EMS Outpost.

Business-type Activities: The County maintains and bills for the HWY 21 and East bend Waterlines and continues to contract with Town of Jonesville for water purchasing. The County continues to lease the 601 Waterline and Sewer to the Town of Yadkinville to operate and maintain. The Town of Yadkinville will collect all revenues from the lines and will 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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Yadkin County Tourism Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 30,977,965	\$ 366,780	\$ 31,344,745	\$ 133,880
Taxes receivable, net	571,269	-	571,269	-
Accounts Receivables, net	1,730,361	283,970	2,014,331	7,325
Restricted opioid receivables, net	4,251,713	-	4,251,713	-
Notes receivable, net	362,721	-	362,721	-
Lease receivable	190,813	-	190,813	-
Due from other governments	3,168,677	29,838	3,198,515	-
Restricted cash and cash equivalents	2,864,804	-	2,864,804	-
Inventories	-	21,466	21,466	-
Total current assets	44,118,323	702,054	44,820,377	141,205
Non-current Assets:				
Net pension asset - ROD	39,347	-	39,347	-
Capital assets:				
Land, improvements, and construction in progress	10,387,289	278,462	10,665,751	-
Other capital assets, net of depreciation	45,334,079	8,585,608	53,919,687	-
Right to use assets, net of amortization	3,264,898	-	3,264,898	-
Total capital assets	58,986,266	8,864,070	67,850,336	-
Total non-current assets	59,025,613	8,864,070	67,889,683	-
Total assets	103,143,936	9,566,124	112,710,060	141,205
DEFERRED OUTFLOWS OF RESOURCES	8,269,169	150,381	8,419,550	-
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	2,633,963	171,720	2,805,683	1,478
Unearned revenues	1,500,000	-	1,500,000	-
Accrued interest payable	44,607	-	44,607	-
Current portion of long-term liabilities	5,461,612	246,566	5,708,178	-
Total current liabilities	9,640,182	418,286	10,058,468	1,478
Long-term liabilities:				
Net Pension Liability - LGERS	10,020,658	157,509	10,178,167	-
Total Pension Liability - LEOSSA	753,941	-	753,941	-
Due in more than one year	16,048,986	2,791,648	18,840,633	-
Total long-term liabilities	26,823,585	2,949,157	29,772,741	-
Total liabilities	36,463,767	3,367,442	39,831,209	1,478
DEFERRED INFLOWS OF RESOURCES	1,582,794	22,165	1,604,959	-
NET POSITION				
Net investment in capital assets	52,083,874	6,020,128	58,104,002	-
Restricted for:				
Stabilization by State Statute	4,569,953	-	4,569,953	7,325
Opioid settlement	1,314,804	-	1,314,804	-
Tourism promotion	-	-	-	132,402
Public safety	940,507	-	940,507	-
Register of Deeds pension plan	54,845	-	54,845	-
Unrestricted (deficit)	14,402,561	306,770	14,709,331	-
Total net position	\$ 73,366,544	\$ 6,326,898	\$ 79,693,442	\$ 139,727

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

Yadkin County
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Yadkin County Tourism Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 8,056,837	\$ 1,128,381	\$ 52,277	\$ -	\$ (6,876,179)	\$ -	\$ (6,876,179)	
Public safety	18,232,460	3,012,952	465,392	-	(14,754,116)	-	(14,754,116)	
Economic and physical development	1,377,635	6,861	3,600	420,172	(947,002)	-	(947,002)	
Environmental Protection	1,413,731	-	-	1,110,594	(303,137)	-	(303,137)	
Human services	12,173,880	542,761	7,954,401	-	(3,676,718)	-	(3,676,718)	
Cultural and recreation	800,231	104,729	-	-	(695,502)	-	(695,502)	
Education	11,568,986	-	706,020	450,000	(10,412,966)	-	(10,412,966)	
Interest/Fees on long-term debt	288,726	-	-	-	(288,726)	-	(288,726)	
Total governmental activities	53,912,486	4,795,684	9,181,690	1,980,766	(37,954,346)	-	(37,954,346)	
Business-type activities:								
Water and Sewer Fund	825,647	463,366	57,830	-	-	(304,451)	(304,451)	
Landfill	2,983,184	2,816,521	125,934	-	-	(40,729)	(40,729)	
Total business-type activities	3,808,831	3,279,887	183,764	-	-	(345,180)	(345,180)	
Total primary government	\$ 57,721,317	\$ 8,075,571	\$ 9,365,454	\$ 1,980,766	\$ (37,954,346)	\$ (345,180)	\$ (38,299,526)	
Component Unit:								
Yadkin County TDA	\$ 63,835	\$ -	\$ -	\$ -				\$ (63,835)
Total component unit	\$ 63,835	\$ -	\$ -	\$ -				(63,835)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					28,397,120	-	28,397,120	-
Local option sales tax					12,102,901	-	12,102,901	-
Other taxes and licenses					126,743	-	126,743	66,362
Investment earnings, unrestricted					681,038	-	681,038	-
Miscellaneous, unrestricted					44,716	-	44,716	36,188
Transfers					-	-	-	-
Total general revenues					41,352,518	-	41,352,518	102,550
Change in net position					3,398,172	(345,180)	3,052,992	38,715
Net position, beginning					64,363,918	6,672,078	71,035,996	101,012
Prior period adjustment/Restatement (see note IX)					5,604,454	-	5,604,454	-
Net position, beginning, as restated					69,968,372	6,672,078	76,640,450	101,012
Net position, ending					\$ 73,366,544	\$ 6,326,898	\$ 79,693,442	\$ 139,727

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

**Yadkin County
Balance Sheet
Governmental Funds
June 30, 2024**

	Major Funds			Nonmajor Governmental Funds	
	General	Opioid Settle- ment Fund	Capital Projects Fund		Total
ASSETS					
Cash and cash equivalents	\$ 20,666,040	\$ -	\$ 7,677,344	\$ 1,129,895	\$ 29,473,279
Restricted cash	50,000	1,314,804	1,500,000	-	2,864,804
Taxes receivables, net	513,431	-	-	43,441	556,872
Accounts receivable, net	1,517,717	-	184	-	1,517,901
Restricted opioid receivables, net	-	4,251,713	-	-	4,251,713
Other short-term receivable	362,721	-	-	-	362,721
Lease Receivable	190,813	-	-	-	190,813
Due from other governments	3,117,233	-	51,444	-	3,168,677
Due from other funds	92,000	-	-	-	92,000
Total assets	<u>26,509,955</u>	<u>5,566,517</u>	<u>9,228,972</u>	<u>1,173,336</u>	<u>42,478,780</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	1,476,525	-	557,344	48,369	2,082,238
Due to other funds	-	-	-	92,000	92,000
Unearned revenues	-	-	1,500,000	-	1,500,000
Total liabilities	<u>1,476,525</u>	<u>-</u>	<u>2,057,344</u>	<u>140,369</u>	<u>3,674,238</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,219,058</u>	<u>4,251,713</u>	<u>-</u>	<u>43,441</u>	<u>5,514,212</u>
Fund Balances:					
Nonspendable:					
Leases	4,904	-	-	-	4,904
Restricted:					
Stabilization by State Statute	4,569,953	-	-	-	4,569,953
Restricted, all other	-	1,314,804	-	940,507	2,255,311
Committed:	2,160,331	-	7,171,628	146,128	9,478,087
Assigned:	2,010,209	-	-	-	2,010,209
Unassigned	15,068,975	-	-	(97,109)	14,971,866
Total fund balances	<u>23,814,372</u>	<u>1,314,804</u>	<u>7,171,628</u>	<u>989,526</u>	<u>33,290,330</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,509,955</u>	<u>\$ 5,566,517</u>	<u>\$ 9,228,972</u>	<u>\$ 1,173,336</u>	

(cont.)

Yadkin County
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2024

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

Total Fund Balance - Governmental Funds	\$ 33,290,330
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)	86,547,318
Less accumulated depreciation/amortization	(27,561,052)
Net capital assets	58,986,266
Net Pension Asset (ROD)	39,347
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,906,898
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	71,585
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	301,013
Deferred outflows of resources:	
LGRS	4,318,665
Register of Deeds	19,986
LEOSSA	140,593
OPEB	1,510,429
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	14,397
Deferred inflows of resources reported in the government-wide statements but not the fund statements:	
LGRS	(86,292)
Register of Deeds	(7,389)
LEOSSA	(199,447)
OPEB	(1,103,757)
Deferred inflows of resources for taxes receivable, EMS receivables, Opioid settlement proceeds receivable, and health receivables	5,328,303
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	(13,102,392)
Compensated absences	(988,665)
Total pension liability (LEOSSA)	(753,941)
Total OPEB liability	(7,419,541)
Net Pension liability (LGRS)	(10,020,658)
Accrued interest payable	(44,607)
An internal service fund is used to charge the cost of medical insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position	1,165,421
Net position of governmental activities	<u>\$ 73,366,544</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, 2024

	Major Funds				
	General Fund	Opioid Settlement Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES					
Ad valorem taxes	\$ 26,267,342	\$ -	\$ -	\$ 2,039,443	\$ 28,306,785
Local option sales taxes	11,914,426	-	-	188,475	12,102,901
Other taxes and licenses	151,935	-	-	66,362	218,297
Unrestricted intergovernmental	229,906	-	-	-	229,906
Restricted intergovernmental	9,173,710	993,803	1,130,034	558,152	11,855,699
Permits and fees	508,919	-	-	17,763	526,682
Sales and services	3,380,455	-	-	149,331	3,529,786
Investment earnings	665,294	-	-	15,744	681,038
Miscellaneous	555,198	-	-	11,250	566,448
Total revenues	52,847,185	993,803	1,130,034	3,046,520	58,017,542
EXPENDITURES					
Current:					
General government	6,441,983	-	2,882,658	916,983	10,241,624
Public safety	15,012,007	-	-	2,471,594	17,483,601
Economic and physical development	1,038,435	-	19,440	66,362	1,124,237
Environmental protection	-	-	1,413,731	-	1,413,731
Health and human services	11,472,891	137,317	-	326,737	11,936,945
Cultural and recreational	749,691	-	-	-	749,691
Education	11,568,986	-	-	-	11,568,986
Debt service:					
Principal	2,998,968	-	-	-	2,998,968
Interest and other charges	303,001	-	-	-	303,001
Total expenditures	49,585,962	137,317	4,315,829	3,781,676	57,820,784
Excess (deficiency) of revenues over expenditures	3,261,223	856,486	(3,185,795)	(735,156)	196,758
OTHER FINANCING SOURCES (USES)					
Lease liability issued	54,126	-	-	-	54,126
IT Subscriptions	-	-	-	-	-
Transfers from other funds	-	-	1,833,423	523,301	2,356,724
Transfers to other funds	(2,356,724)	-	-	-	(2,356,724)
Installment Purchase Obligations Issued	-	-	-	-	-
Total other financing sources (uses)	(2,302,598)	-	1,833,423	523,301	54,126
Net change in fund balance	958,625	856,486	(1,352,372)	(211,855)	250,884
Fund balances, beginning	22,855,747	-	8,524,000	1,201,381	32,581,128
Prior period adjustment/Restatement (see note IX)	-	458,318	-	-	458,318
Fund balances, beginning as restated	22,855,747	458,318	8,524,000	1,201,381	33,039,446
Fund balances, ending	\$ 23,814,372	\$ 1,314,804	\$ 7,171,628	\$ 989,526	\$ 33,290,330

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, 2024

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

Net change in fund balances - total governmental funds	\$ 250,884
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	87,321
Sales and services	97,204
Opioid settlement proceeds	(894,423)
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.	4,385,856
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,117,435)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) not recorded in the fund statements.	(9,332)
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	(655,546)
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.	3,609,199
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.	(54,126)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,906,898
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	71,585
Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.	301,013
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	3,014
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	14,275
Compensated absences	(33,702)
OPEB Expense	(659,056)
Pension expense	(2,907,940)
The portion of Internal Service Fund activities change in net assets allocable to governmental activities is reported with governmental activities in the Statement of Activities	2,483
Total changes in net position of governmental activities	<u>\$ 3,398,172</u>

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

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, 2024

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 24,955,311	\$ 24,955,311	\$ 26,267,342	\$ 1,312,031
Local option sales tax	11,549,744	11,549,744	11,914,426	364,682
Other taxes and licenses	123,600	123,600	151,935	28,335
Unrestricted intergovernmental	235,386	229,906	229,906	-
Restricted intergovernmental	6,253,452	10,461,588	9,173,710	(1,287,878)
Permits and fees	445,500	448,000	508,919	60,919
Sales and services	2,588,516	2,856,274	3,380,455	524,181
Investment earnings	200,000	203,000	665,294	462,294
Miscellaneous	405,774	497,892	555,198	57,306
Total revenues	<u>46,757,283</u>	<u>51,325,315</u>	<u>52,847,185</u>	<u>1,521,870</u>
Expenditures:				
Current:				
General government	7,438,180	7,783,036	6,441,983	1,341,053
Public safety	18,010,758	19,167,868	15,012,007	4,155,861
Economic and physical	778,529	1,256,604	1,038,435	218,169
Human services	11,677,008	13,434,579	11,472,891	1,961,688
Cultural and recreational	913,259	913,259	749,691	163,568
Education	9,437,000	12,003,640	11,568,986	434,654
Debt service:				
Principal	2,998,973	2,998,973	2,998,968	5
Interest	303,125	303,125	303,001	124
Total expenditures	<u>51,556,832</u>	<u>57,861,084</u>	<u>49,585,962</u>	<u>8,275,122</u>
Revenues over (under) expenditures	<u>(4,799,549)</u>	<u>(6,535,769)</u>	<u>3,261,223</u>	<u>9,796,992</u>
Other financing sources (uses):				
Lease liabilities issued	3,817,686	3,817,686	54,126	(3,763,560)
IT subscriptions	406,863	406,863	-	(406,863)
Transfers to other funds	-	(2,356,724)	(2,356,724)	-
Appropriated fund balance	<u>575,000</u>	<u>4,667,944</u>	<u>-</u>	<u>(4,667,944)</u>
Total other financing sources (uses)	<u>4,799,549</u>	<u>6,535,769</u>	<u>(2,302,598)</u>	<u>(8,838,367)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>958,625</u>	<u>\$ 958,625</u>
Fund balance, beginning of year			<u>22,855,747</u>	
Fund balance, end of year			<u>\$ 23,814,372</u>	

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

Yadkin County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental
	Major			Activities
	Landfill	Water and		Internal
	Fund	Sewer Fund	Total	Service
				Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 160,032	\$ 206,748	\$ 366,780	\$ 1,504,686
Accounts receivable, net	171,633	112,337	283,970	212,460
Due from other governments	29,838	-	29,838	-
Inventories	-	21,466	21,466	-
Total current assets	361,503	340,551	702,054	1,717,146
Noncurrent assets:				
Capital assets:				
Land and construction in progress	278,462	-	278,462	-
Other capital assets, net of depreciation	277,923	8,307,685	8,585,608	-
Total capital assets	556,385	8,307,685	8,864,070	-
Total assets	917,888	8,648,236	9,566,124	1,717,146
DEFERRED OUTFLOWS OF RESOURCES	124,143	26,238	150,381	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	155,762	15,958	171,720	551,725
Accrued vacation benefits	4,329	566	4,895	-
Net pension liability	30,374	6,575	36,949	-
Net OPEB liability	1,583	-	1,583	-
Current portion of long term liabilities	-	203,139	203,139	-
Total current liabilities	192,048	226,238	418,286	551,725
Noncurrent liabilities:				
Compensated absences	12,986	1,698	14,684	-
Net pension liability	121,430	36,079	157,509	-
Net OPEB liability	112,828	23,333	136,161	-
Long-term debt, non-current portion	-	2,640,803	2,640,803	-
Total noncurrent liabilities	247,244	2,701,913	2,949,157	-
Total liabilities	439,291	2,928,151	3,367,442	551,725
DEFERRED INFLOWS OF RESOURCES	18,396	3,769	22,165	-
NET POSITION				
Net investment in capital assets	556,385	5,463,743	6,020,128	-
Unrestricted	27,959	278,811	306,770	1,165,421
Total net position	\$ 584,344	\$ 5,742,554	\$ 6,326,898	\$ 1,165,421

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, 2024

	Business-Type Activities			Governmental Activities
	Major		Total	Internal Service Fund
	Landfill Fund	Water and Sewer Fund		
OPERATING REVENUES				
Charges for services	\$ 2,816,521	\$ 463,366	\$ 3,279,887	\$ 3,509,707
OPERATING EXPENSES				
Solid Waste	2,883,055	-	2,883,055	-
Recycling	67,131	-	67,131	-
Water and Sewer	-	424,648	424,648	-
Group Insurance	-	-	-	3,507,224
Depreciation and Amortization	32,998	400,999	433,997	-
Total operating expenses	2,983,184	825,647	3,808,831	3,507,224
Operating income (loss)	(166,663)	(362,281)	(528,944)	2,483
NONOPERATING REVENUES (EXPENSES)				
Solid waste disposal tax	31,645	-	31,645	-
Grant Revenue	864	57,830	58,694	-
Scrap tire disposal tax	71,674	-	71,674	-
White goods disposal tax	21,751	-	21,751	-
Total nonoperating revenues (expenses)	125,934	57,830	183,764	-
Income (loss) before contributions and transfers	(40,729)	(304,451)	(345,180)	2,483
Transfer (to)/from other funds	-	-	-	-
Change in net position	(40,729)	(304,451)	(345,180)	2,483
Total net position, beginning	625,073	6,047,005	6,672,078	1,162,938
Total net position, ending	\$ 584,344	\$ 5,742,554	\$ 6,326,898	\$ 1,165,421

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, 2024

	Business-Type Activities			Governmental Activities
	Major		Total	Internal Service Fund
	Landfill Fund	Water and Sewer Fund		
Cash flows from operating activities:				
Cash received from customers	\$ 2,854,638	\$ 396,464	\$ 3,251,102	\$ 3,297,247
Cash paid for goods and services	(2,543,605)	(366,935)	(2,910,540)	(3,268,741)
Cash paid to employees for services	(358,433)	(74,765)	(433,198)	-
Net cash provided (used) by operating activities	(47,400)	(45,236)	(92,636)	28,506
Cash flows from noncapital financing activities:				
Intergovernmental non-operating revenues received	125,934	57,830	183,764	-
Increase (decrease) in due to other funds	-	-	-	-
Transfer from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	125,934	57,830	183,764	-
Cash flows from capital and related financing activities:				
Construction of capital assets	(207,201)	-	(207,201)	-
Proceeds from installment debt	-	-	-	-
Principal paid on installment debt	-	(203,139)	(203,139)	-
Principal paid on lease liability	-	(5,387)	-	-
Capital contribution -federal and State grants	-	-	-	-
Net cash used by capital and related financing activities	(207,201)	(208,526)	(410,340)	-
Net increase (decrease) in cash and cash equivalents	(128,667)	(195,932)	(324,599)	28,506
Cash and cash equivalents, beginning	288,699	402,680	691,379	1,476,180
Cash and cash equivalents, ending	\$ 160,032	\$ 206,748	\$ 366,780	\$ 1,504,686

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, 2024

	<div>Business-Type Activities</div>			<div>Governmental Activities</div>
	Major			<div>Internal Service Fund</div>
	Landfill Fund	Water and Sewer Fund	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (166,663)	\$ (362,281)	\$ (528,944)	\$ 2,483
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	32,998	400,999	433,997	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	67,955	(66,903)	1,052	(212,460)
(Increase) decrease in due from other government	(29,838)	-	(29,838)	-
(Increase) decrease in deferred outflows of resources - pensions	(9,957)	(2,064)	(12,021)	-
(Increase) decrease in deferred outflows of resources - OPEB	13,190	1,075	14,265	-
Increase (decrease) in accounts payable	19,646	(21,845)	(2,199)	238,483
Increase (decrease) in net pension liability	26,436	5,633	32,069	-
Increase (decrease) in total OPEB liability	2,022	412	2,434	-
Increase (decrease) in deferred inflows of resources - pensions	(1,408)	(308)	(1,716)	-
Increase (decrease) in deferred inflows of resources - OPEB	(2,382)	(486)	(2,868)	-
Increase (decrease) in accrued vacation benefits	601	532	1,133	-
Total adjustments	119,263	317,045	436,308	26,023
Net cash provided by (used in) operating activities	\$ (47,400)	\$ (45,236)	\$ (92,636)	\$ 28,506

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

Yadkin County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 61,752
Taxes receivable from other governments, net	<u>31,508</u>
Total assets	<u>93,260</u>
LIABILITIES	
Accounts Payable and accrued liabilities	-
Due to other governments	<u>38,435</u>
Total liabilities	<u>38,435</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>54,825</u>
Total fiduciary net position	<u><u>\$ 54,825</u></u>

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

Yadkin County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Total Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 1,074,903
Collections on behalf of inmates	121,408
Total additions	<u>1,196,311</u>
DEDUCTIONS	
Tax distributions to other governments	1,074,903
Payments on behalf of inmates	123,036
Total deductions	<u>1,197,939</u>
Net increase (decrease) in fiduciary net position	(1,628)
Net position, beginning	<u>56,453</u>
Net position, ending	<u><u>\$ 54,825</u></u>

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

Yadkin County
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 - This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

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. Issuances of general long-term debt, leases initiated during the year, and new IT subscription acquisition 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. The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$4,251,713 related to the settlement are also reported as restricted assets. Additionally, unspent SCIF grant funds are restricted by the funding source.

Restricted Cash	Purpose	Amount
Governmental Activities:		
Opioid Settlement Fund	Unexpended Settlement Proceeds	\$ 1,314,804
Capital Project Fund	Unspent Grant Proceeds (SCIF)	1,500,000
Total Governmental Activities		<u>2,864,804</u>
Total Restricted Cash		<u>\$ 2,864,804</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, 2023. 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. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 10% of the outstanding receivable balance.

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**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. 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:

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

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - pension related deferrals, and contributions made to the OPEB or pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet this criterion - prepaid taxes, taxes receivable, EMS receivables, health receivables, opioid settlement 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. With the implementation of GASB No. 101, the County, and TDA will estimate what sick leave is "more likely than not to be paid or used" and recognize that portion as a liability for compensated absence and salary-related payments.

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 is front loaded. The County received \$405,997 as part of this settlement in Fiscal Year 2023 & \$139,091 in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities.

The significance of this issue resulted in guidance being provided to state and local governments to help ensure that there was consistency in the accounting and financial reporting of these funds. The guidance provided that because of the restrictions on the use of the fund's revenue should not be recognized until the funds were expended. In FY23, \$458,318 that was received remained on hand at June 30, 2023. In such cases the guidance specified that the cash on hand should be reported as an asset offset by an amount for unearned revenues, a liability. The result was that amounts were only presented on the balance sheet of governmental funds and the statement of net position for governmental activities.

As the litigation progressed and more settlements were finalized, the conclusion on the appropriate accounting and financial reporting also evolved. While there are cases where the appropriate guidance to apply is for government-mandated or voluntary nonexchange transactions, there are other cases where it is appropriate to apply the guidance for exchange and exchange-like transactions.

Essentially, the guidance for nonexchange transactions bases revenue recognition on the unit fulfilling all of the eligibility requirements for the nonexchange transaction. In some cases, the incurrence of expenditures is one of the eligibility requirements. The initial guidance viewed all of the opioid settlements' activity as nonexchange transactions that include the incurrence of qualifying expenditure amounts among their eligibility requirements. Accordingly, the nonexchange transaction guidance was applied to all of the opioid settlements' activity.

A similarity was recognized with the Tobacco Settlement that occurred in the early 2000's. The GASB issued a technical bulletin in 2004 to provide recognition guidance for those revenues. The technical bulletin stated that "tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling states in exchange for their agreement to release the tobacco companies from present and future litigation."

Accordingly, going forward it is no longer appropriate to use a single approach to the accounting and financial reporting of the opioid settlement activity. Instead, it will be necessary to determine whether to apply the guidance for exchange and exchange-like transactions or to apply the guidance for government-mandated or voluntary nonexchange transactions.

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services that they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit and the unit has an enforceable claim to receive amounts from the company.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction. Accordingly, it was necessary to record prior period adjustments for the activity that occurred in the prior fiscal year. See note IX Change in Accounting Principle for additional discussion about those adjustments.

In FY24 the County applied the exchange and exchange-like transactions guidance to these transactions. Accordingly, the cash received during the year of \$993,803 was recognized in the Opioid Settlement Major Special Revenue Fund. Because all funding was previously recognized for Governmental Activities, the revenue on the government-wide statements will be decreased for amounts previously recognized. This amount was calculated as follows:

<u>Accrual Basis of Accounting</u>		<u>Governmental Activities</u>
County's Share of North Carolina's Unpaid Aggregate Settlements through FY24	\$ 4,724,125	
Less: Allowance for uncollectible accounts	(472,413)	
Opioid Settlement receivable at June 30, 2024		4,251,712
County's Share of North Carolina's Unpaid Aggregate Settlements through FY23	5,717,929	
Less: Allowance for uncollectible accounts	(571,794)	
Opioid Settlement receivable at June 30, 2023		5,146,135
Accrual basis revenue previously recognized		<u>\$ (894,423)</u>

13. 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, 2024 is as follows:

Purpose	Opioid			
	General Fund	Settlement Fund	Capital Projects Fund	Other Governmental Funds
Restricted, all other:				
Stabilization by State Statute	\$ 4,569,953	\$ -	\$ -	\$ -
Human Services	-	-	-	9,949
Opioid settlement	-	1,314,804	-	-
Public Safety	-	-	-	930,558
Total	\$ 4,569,953	\$ 1,314,804	\$ -	\$ 940,507

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, 2024 is as follows:

Purpose	Nonmajor		
	General Fund	Capital Projects Fund	Governmental Fund
Committed, all other:			
Tax revaluation	\$ 50,000	\$ -	\$ -
County Future Capital	388,000	7,171,628	146,128
Public Safety	869,224	-	-
Grant Match	185,751	-	-
Childcare Project	250,000	-	-
School Future Capital	417,356	-	-
Total	\$ 2,160,331	\$ 7,171,628	\$ 146,128

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	\$ 23,814,372
Less:	
Nonspendable	(4,904)
Stabilization by State Statute	(4,569,953)
Fund Balance available for appropriation	<u>\$ 19,239,515</u>
Available fund balance as a % of GF Expenditures	37.08%

The County had no outstanding encumbrances as of June 30, 2024.

14. 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.

15. 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

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, 2024 the County's deposits had a carrying amount of \$21,090,208 and a bank balance of \$21,757,483. Of the carrying amount, \$3,900 was cash on hand. Of the bank balance, \$250,000 was covered by federal depository insurance; the remaining \$21,507,483 was covered by collateral and held under the Pooling Method.

At June 30, 2024 the Tourism Development Authority's deposits had a carrying amount of \$133,880. The TDA does not maintain a separate bank account, but is part of the County's central depository account.

Investments

As of June 30, 2024, 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	\$ 13,181,093	\$ 13,181,093	\$ -	\$ -

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, 2024.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2024.

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
2020	\$ 3,068,479	\$ 1,004,927	\$ 4,073,406
2021	3,078,930	731,246	3,810,176
2022	3,090,934	455,913	3,546,847
2023	3,326,670	191,284	3,517,954
Total	<u>\$ 12,565,013</u>	<u>\$ 2,383,369</u>	<u>\$ 14,948,382</u>

Receivables

Receivables at the government-wide level at June 30, 2024, were as follows:

	Accounts	Taxes	Interest Receivable	Due From Other Governments	Total
Governmental activities:					
Ad valorem taxes	\$ -	\$ 1,238,735	\$ 184	\$ -	\$ 1,238,919
Allowance for doubtful accounts	-	(710,907)	-	-	(710,907)
Ad valorem taxes, net	-	527,828	184	-	528,012
Fire district taxes	-	116,374	-	-	116,374
Allowance for doubtful accounts	-	(72,933)	-	-	(72,933)
Fire district taxes, net	-	43,441	-	-	43,441
Local option sales tax	-	-	-	2,869,909	2,869,909
Accounts receivable	5,704,424	-	-	-	5,704,424
Sales tax refund	-	-	-	298,768	298,768
Other accounts receivable	1,324,688	-	-	-	1,324,688
Allowance for doubtful accounts	(684,501)	-	-	-	(684,501)
Total governmental activities	\$ 6,344,611	\$ 571,269	\$ 184	\$ 3,168,677	\$ 10,084,741
	Accounts	Taxes	Interest Receivable	Due From Other Governments	Total
Business-type activities:					
Landfill	\$ 299,117	\$ -	\$ -	\$ 29,838	\$ 328,955
Allowance for doubtful accounts	(127,485)	-	-	-	(127,485)
Total Landfill	171,632	-	-	29,838	201,470
Water & Sewer	112,337	-	-	-	112,337
Total business-type activities	\$ 283,969	\$ -	\$ -	\$ 29,838	\$ 313,807

The Tourism Development Authority's receivables consists of occupancy taxes from local hotels of \$7,325. Management expects all accounts receivable to be collected; therefore, no allowance for doubtful accounts has been recorded.

Leases Receivable

On 07/01/2023, County of Yadkin_NC entered into a 36 month lease as Lessor for the use of Yadkin Hospital - Medical Office. An initial lease receivable was recorded in the amount of \$22,560. As of 06/30/2024, the value of the lease receivable is \$15,040. The lessee is required to make monthly fixed payments of \$654. The lease has an interest rate of 2.9%. The value of the deferred inflow of resources as of 06/30/2024 was \$15,040, and County of Yadkin recognized lease revenue of \$7,520 during the fiscal year.

On 08/01/2021, County of Yadkin_NC entered into a 36 month lease as Lessor for the use of Office Space - 208 N. Jackson Street. An initial lease receivable was recorded in the amount of \$6,107. As of 06/30/2024, the value of the lease receivable is \$170. The lessee is required to make monthly fixed payments of \$172. The lease has an interest rate of 0.7505%. The value of the deferred inflow of resources as of 06/30/2024 was \$154, and County of Yadkin recognized lease revenue of \$1,849 during the fiscal year.

On 07/01/2022, County of Yadkin_NC entered into a 48 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 06/30/2024, the value of the lease receivable is \$13,614. 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 06/30/2024 was \$13,613, and County of Yadkin 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 06/30/2024, the value of the lease receivable is \$737. 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 06/30/2024 was \$708, and County of Yadkin recognized lease revenue of \$8,496 during the fiscal year.

On 06/1/2016, County of Yadkin_NC 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 06/30/2024, the value of the lease receivable is \$81,936. 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 06/30/2024 was \$78,699 and County of Yadkin recognized lease revenue of \$41,060 during the fiscal year.

On 08/17/2021, County of Yadkin_NC 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 06/30/2024, the value of the lease receivable is \$5,773. 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 06/30/2024 was \$5,543, and County of Yadkin 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

Fiscal Year	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 70,539	\$ 2,416	\$ 72,955
2026	47,475	701	48,176
2027	-	-	-
	<u>\$ 118,014</u>	<u>\$ 3,117</u>	<u>\$ 121,131</u>

Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,351,324	\$ 30,882	\$ -	\$ 6,382,206
Construction in Progress	1,051,541	2,953,542	-	4,005,083
Total capital assets not depreciated	7,402,865	2,984,424	-	10,387,289
Capital assets being depreciated:				
Buildings and improvements	60,495,591	662,533	-	61,158,124
Furniture and equipment, software	5,138,211	41,764	-	5,179,975
Vehicles and motor equipment	4,957,192	697,135	(91,150)	5,563,177
Total capital assets being depreciated	70,590,994	1,401,432	(91,150)	71,901,276
Less accumulated depreciation for:				
Buildings and improvements	16,591,152	1,347,346	-	17,938,498
Furniture and equipment, software	4,184,482	278,756	-	4,463,238
Vehicles and motor equipment	3,755,946	491,333	(81,818)	4,165,461
Total accumulated depreciation	24,531,580	2,117,435	(81,818)	26,567,197
Total capital assets being depreciated, net	46,059,414	(716,003)	(9,332)	45,334,079
Capital assets being amortized:				
Lease vehicles	256,765	-	(56,932)	199,833
Lease equipment	3,504,804	-	-	3,504,804
Lease building	255,735	-	-	255,735
IT subscriptions	298,381	-	-	298,381
Total capital assets being depreciated	4,315,685	-	(56,932)	4,258,753
Less accumulated amortization for:				
Lease vehicles	98,545	64,077	(56,932)	105,690
Lease equipment	124,073	389,538	-	513,611
Lease building	56,764	86,072	-	142,836
IT subscriptions	115,859	115,859	-	231,718
Total accumulated amortization	395,241	655,546	(56,932)	993,855
Total capital assets being amortized, net	3,920,444	(655,546)	-	3,264,898
Governmental activity capital assets, net	\$ 57,382,723	\$ 1,612,875	\$ (9,332)	\$ 58,986,266

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

Governmental Activities:	
General government	\$ 1,431,635
Public Safety	981,100
Economic and physical development	187,709
Human services	73,449
Cultural and recreation	99,088
Total depreciation expense	<u>\$ 2,772,981</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Landfill:				
Capital assets not being depreciated:				
Land	\$ 278,462	\$ -	\$ -	\$ 278,462
Capital assets being depreciated:				
Buildings	338,499	-	-	338,499
Land improvements	247,040	-	-	247,040
Furniture and moveable equipment	251,886	207,201	(17,255)	441,832
Total capital assets being depreciated	837,425	207,201	(17,255)	1,027,371
Less accumulated depreciation for:				
Buildings	305,988	2,368	-	308,356
Land improvements	229,078	2,437	-	231,515
Furniture and moveable equipment	198,638	28,194	(17,255)	209,577
Total accumulated depreciation	733,704	32,999	(17,255)	749,448
Total capital assets being depreciated, net	103,721	174,202	-	277,923
Landfill capital assets, net	\$ 382,183	\$ 174,202	\$ -	\$ 556,385
Water and Sewer:				
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	1,681,245	94,990	-	1,776,235
Water lines	3,464,959	300,925	-	3,765,884
Total accumulated depreciation	5,146,204	395,915	-	5,542,119
Total depreciable capital assets, net	8,703,600	(395,915)	-	8,307,685
Capital assets being amortized:				
Lease vehicles	17,285	-	(17,285)	-
Total capital assets being amortized	17,285	-	(17,285)	-
Less accumulated amortization for:				
Lease vehicles	12,200	5,085	(17,285)	-
Total accumulated amortization	12,200	5,085	(17,285)	-
Total capital assets being amortized, net	5,085	(5,085)	-	-
Water and sewer capital assets, net	8,708,685	(401,000)	-	8,307,685
Business-type activities capital assets, net	\$ 9,090,868	\$ (226,798)	\$ -	\$ 8,864,070

Construction Commitments

The government has active construction projects as of June 30, 2024. The projects and amounts expended to date are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental Capital Projects		
Yadkin County Public Facilities Project	\$ 3,129,961	\$ 6,003,462
Watershed Rehabilitation Planning	875,124	22,436
Total	<u>\$ 4,005,085</u>	<u>\$ 6,025,898</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2024 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital Assets	\$ 58,986,266	\$ 8,864,070
Long-term debt	(13,102,392)	(2,843,942)
Long-term debt for assets not owned by the County	6,200,000	-
Net investment in capital assets	<u>\$ 52,083,874</u>	<u>\$ 6,020,128</u>

B. Liabilities

Accounts Payable

Accounts payable at Exhibit 1 at June 30, 2024 were as follows:

	<u>Vendors</u>	<u>Accrued Salaries</u>	<u>Accrued Interest</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Total</u>
Governmental activities:					
General	\$ 1,052,143	\$ 424,382	\$ 44,607	\$ -	\$ 1,521,132
Other Governmental	605,713	-	-	-	605,713
Internal Service Fund	-	-	-	551,725	551,725
Total governmental activities	<u>\$ 1,657,856</u>	<u>\$ 424,382</u>	<u>\$ 44,607</u>	<u>\$ 551,725</u>	<u>\$ 2,678,570</u>
Business-type activities:					
Landfill	\$ 140,229	\$ 15,533	\$ -	\$ -	\$ 155,762
Water & Sewer	13,132	2,826	-	-	15,958
Total business-type activities	<u>\$ 153,361</u>	<u>\$ 18,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,720</u>

Pension Plan Obligations and Other Postemployment Obligations

Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.90% 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 \$1,940,946 for the year ended June 30, 2024.

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, 2024, the County reported a liability of \$10,215,118 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2024, the County's proportion was 0.15423%, which was an increase of 0.00303% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$2,904,079. At June 30, 2024 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,138,267	\$ 24,504
Changes of assumptions	434,084	-
Net difference between projected and actual earnings on pension plan investments	2,734,013	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	96,108	63,462
County contributions subsequent to the measurement date	1,940,946	-
Total	<u>\$ 6,343,418</u>	<u>\$ 87,966</u>

\$1,940,946 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$ 1,538,008
2026	823,700
2027	1,837,188
2028	115,610
Thereafter	-
Total	<u>\$ 4,314,506</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 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, 2022 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, 2023 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%	2.4%
Global Equity	38%	6.9%
Real Estate	8%	6.0%
Alternatives	8%	8.6%
Credit	7%	5.3%
Inflation Protection	6%	4.3%

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% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 17,697,291	\$ 10,215,118	\$ 4,055,093

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, 2023 the Separation Allowance membership consisted of:

Retirees receiving benefits	3
Active plan members	37
Total	<u>40</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 June 30, 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	3.77 percent

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

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

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

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

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

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$50,055 as benefits came due for the reporting period.

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

At June 30, 2024, the County reported a total pension liability of \$753,941. The total pension liability was measured as of December 31, 2023 based on a June 30, 2022 actuarial valuation. The total pension liability was rolled forward to June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$52,642.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,884	\$ 107,556
Changes of assumptions and other inputs	93,709	91,891
County benefit payments and plan administrative expense made subsequent to the measurement date	71,585	-
Total	<u>\$ 212,178</u>	<u>\$ 199,447</u>

\$52,642 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 1,353
2026	13,029
2027	(48,124)
2028	(26,742)
2029	1,630
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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Discount Rate (3.77%)	1% Increase (4.77%)
Total pension liability	\$ 821,465	\$ 753,941	\$ 693,395

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

	2024
Beginning balance	\$ 715,191
Service Cost	45,671
Interest on the total pension liability	27,919
Differences between expected and actual experience	(1,595)
Changes in assumptions or other inputs	16,810
Benefit payments	(50,055)
Ending balance of the total pension liability	<u>\$ 753,941</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.05 percent at June 30, 2023 (reporting date) to 3.77 percent at June 30, 2024 (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 \$135,738 for the reporting year. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$2,901 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$39,347 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023, the County's proportion was 0.32743%, which was an increase of 0.02808% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$6,500. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,742
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	19,986	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	5,647
County contributions subsequent to the measurement date	2,901	-
Total	<u>\$ 22,887</u>	<u>\$ 7,389</u>

\$2,901 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$ 749
2026	4,786
2027	5,802
2028	1,260
2029	-
Thereafter	-
	<u>\$ 12,597</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 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, 2022 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 information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class and is 100% invested in the Bond Index External Investment Pool. The long term expected real rate of return for the Bond Index Investment Pool as of June 30, 2022 is 0.78%.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (26,859)	\$ (39,347)	\$ (49,877)

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, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022. The total pension liability for LEOSSA was measured as of June 30, 2023, with an actuarial valuation date of December 31, 2022. 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)	\$ 10,215,118	\$ (39,347)	\$ -	\$ 10,175,771
Proportion of the Net Pension Liability (Asset)	0.1542%	0.3274%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 753,941	\$ 753,941
Pension Expense (Revenue)	\$ 2,904,079	\$ 6,500	\$ 52,642	\$ 2,963,221

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,138,267	\$ -	\$ 46,884	\$ 1,185,151
Changes of assumptions	434,084	-	93,709	527,793
Net difference between projected and actual earnings on pension plan investments	2,734,013	19,986	-	2,753,999
Change in proportion and differences between County contributions and proportionate share of contributions	96,108	-	-	96,108
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,940,946	2,901	71,585	2,015,432
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ 24,504	\$ 1,742	\$ 107,556	\$ 133,802
Changes of assumptions	-	-	91,891	91,891
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	63,462	5,647	-	69,109

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:

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

Total OPEB Liability

The County's total OPEB liability of \$7,557,286 was measured as of June 30, 2023 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	3.86 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
	Total
	<u>OPEB Liability</u>
Balance at July 1, 2023	\$ 7,423,704
Changes for the year	
Service cost	524,518
Interest	263,844
Differences between expected and actual experience	124,537
Changes in assumptions or other inputs	(107,833)
Benefit payments	(671,484)
Net Changes	<u>\$ 133,582</u>
Balance at June 30, 2024	<u><u>\$ 7,557,286</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.69% to 3.86%.

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 (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability	\$ 8,211,210	\$ 7,557,286	\$ 6,974,423

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	\$ 6,832,459	\$ 7,557,286	\$ 8,418,771

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

For the year ended June 30, 2024 the County recognized OPEB expense of \$674,474. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 838,272	\$ 305,374
Changes of assumptions	700,199	818,874
Benefit payments and administrative costs made subsequent to the measurement date	302,596	-
Total	\$ 1,841,067	\$ 1,124,248

\$302,596 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 270,986
2026	270,986
2027	117,342
2028	(8,796)
2029	(147,117)
Thereafter	(89,178)

Other Employment Benefits

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

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions, OPEB - difference between expected and actual experience:		
LGERS	\$ 1,138,267	\$ 24,504
Register of Deeds	-	1,742
LEOSSA	46,884	107,556
OPEB	838,272	305,374
Changes of assumptions		
LGERS	434,084	-
Register of Deeds	-	-
LEOSSA	93,709	91,891
OPEB	700,199	818,874
Pensions, OPEB - difference between projected and actual investment earnings		
LGERS	2,734,013	-
Register of Deeds	19,986	-
Pensions, OPEB - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	96,108	63,462
Register of Deeds	-	5,647
Contributions to pension plan		
LGERS	1,940,946	-
Register of Deeds	2,901	-
LEOSSA	71,585	-
Benefit payments for the OPEB plan paid subsequent to measurement date	302,596	-
Leases (General)	-	185,909
Opioid funds receivable (Special Revenue)	-	4,251,713
Taxes receivable, net (General)	-	513,431
Taxes receivable, net (Special Revenue)	-	43,441
EMS receivable (General)	-	518,813
Health receivable (General)	-	905
Total	<u>\$ 8,419,550</u>	<u>\$ 6,933,262</u>

5. Risk Management

The County is exposed to various of losses related to torts, theft of, damage 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 \$78 million for any one occurrence; general liability, auto, professional and employment practices liability coverage of \$2 million per occurrence and; automobile liability of \$2 million for owned autos. The Real and Property Coverage has a blanket limit of \$78,020,360. The County maintains workers' compensation coverage up to the statutory limits and group health insurance for 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 that \$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. The self-funded program, supplemented by employee contributions, pays the medical claims of employees and their covered dependents, up to a certain stop-loss limit. Insurance has been purchased ACS Benefits to cover expenses that exceed certain dollar amounts on a \$150,000 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 not reported (IBNRs) based on 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:

	2024	2023
Unpaid claims, beginning	\$ 313,242	\$ 325,817
Incurred claims	3,671,803	3,061,414
Claim payments	(3,466,673)	(3,073,989)
Unpaid claims, ending	<u>\$ 518,372</u>	<u>\$ 313,242</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 For F250). An initial lease liability was recorded in the amount of \$17,130. As of 06/30/2024, the value of the lease liability is \$0. The County was required to ake monthly fixed payments of \$572. The lease had an interest rate of 6.5%. The value of the right to use asset as of 06/30/2024 of \$17,130 with accumulated amortization of \$17,130 is included with Lease Vehicles on the Capital Outlay Schedule. The lease has a guaranteed residual value payment of \$2,266. The lease was purchased at \$2,586.

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 06/30/2024, the value of the lease liability is \$0. The County was 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 06/30/2024 of \$14,940 with accumulated amortization of \$14940 is included with Lease Vehicles on the Capital Outlay Schedule. The lease has a guaranteed residual value payment of \$2,366. The lease was purchased at \$2,863.

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 06/30/2024, the value of the lease liability is \$397. 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 06/30/2024 of \$13,206 with accumulated amortization of \$12,841 is included with Lease Vehicles on the Capital Outlay 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 06/30/2024, the value of the lease liability is \$0. The Countys required monthly fixed payment was \$319. The lease had an interest rate of 8.5%. The value of the right to use asset as of 06/30/2024 of \$8,950 with accumulated amortization of \$8,950 is included with Lease Vehicles on the Capital Asset Schedule.. The lease has a guaranteed residual value payment of \$1,390. The lease was purchased at \$1,836.

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 06/30/2024, the value of the lease liability is \$0. The County was 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 06/30/2024 of \$15,912 with accumulated amortization of \$15,912 is included with Lease Vehicles on the Capital Outlay Schedule. The lease has a guaranteed residual value payment of \$2,590. The lease was purchased at \$2,864.

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 06/30/2024, the value of the lease liability is \$1,737. 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 06/30/2024 of \$30,058 with accumulated amortization of \$28,477 is included with Lease Vehicles on the Capital Outlay 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 \$10,423. 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 06/30/2024 of \$25,249 with accumulated amortization of \$15,678 is included with Lease Vehicles on the Capital Asset Schedule. The lease has a guaranteed residual value payment of \$2,555.

On 07/06/2021, the County entered into a 60 month lease as Lessee for the use of Vehicle - 23XWXP (2021 Ford Polic Interceptor Utility). An initial lease liability was recorded in the amount of \$36,578. As of 06/30/2024, the value of the lease liability is \$15,267. 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 06/30/2024 of \$36,578 with accumulated amortization of \$21,337 is included with Lease Vehicles on the Capital Outlay 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 06/30/2024, the value of the lease liability is \$93,710. The County is required to make monthly fixed payments of \$3165. The lease has an interest rate of 1.0112%. The value of the right to use asset as of 06/30/2024 of \$188,246 with accumulated amortization of \$95,666 is included with Lease 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 06/30/2024, the value of the lease liability is \$4,841. 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 06/30/2024 of \$16,100 with accumulated amortization of \$11,758 is included with Lease 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 - TIAA. An initial lease liability was recorded in the amount of \$31,876. As of 06/30/2024, the value of the lease liability is \$5,823. The County is required to make monthly fixed payments of \$739. 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 06/30/2024 of \$31,876 with accumulated amortization of \$24,783 is included with Equipment on the Right to Use Lease Asset 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 06/30/2024, the value of the lease liability is \$47,443. 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 06/30/2024 of \$79,886 with accumulated amortization of \$33,552 is included with Lease 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 06/30/2024, the value of the lease liability is \$26,016. 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 06/30/2024 of \$80,602 with accumulated amortization of \$55,270 is included as Lease 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 \$175,132.53. As of 06/30/2024, the value of the lease liability is \$89,276. 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 06/30/2024 of \$175,133 with accumulated amortization of \$87,566 is included with Lease 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. An initial lease liability was recorded in the amount of \$41,674. As of 06/30/2024, the value of the lease liability is \$32,847. 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 06/30/2024 of \$43,269 with accumulated amortization of \$10,817 is included with Lease 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. An initial lease liability was recorded in the amount of \$48,850. As of 06/30/2024, the value of the lease liability is \$38,503. The County is required to make monthly fixed payments of \$1002. The lease has an interest rate of 8.5%. The value of the right to use asset as of 06/30/2024 of \$51,473 with accumulated amortization of \$12,868 is included with Lease 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 06/30/2024, the value of the lease liability is \$2,548,939. 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 06/30/2024 of \$3,190,078 with accumulated amortization of \$345,592 is included with Lease Equipment on the Capital Assets Schedule.

On 11/28/2023, the County entered into a 60 month lease as Lessee for the use of Vehicle - 277RLD. An initial lease liability was recorded in the amount of \$30,401. As of 06/30/2024, the value of the lease liability is \$27,287. The County is required to make monthly fixed payments of \$619. The lease has an interest rate of 8.5%. The value of the right to use asset as of 06/30/2024 of \$30,401 with accumulated amortization of \$3,673 is included with Lease Vehicles on the Capital Assets Schedule. The lease has a guaranteed residual value payment of \$2,628.

On 01/09/24, the County entered into a 63 month lease as Lessee for three mail postage machines. An initial lease liability was recorded in the amount of \$23,726. As of 06/30/2024, the value of the lease liability is \$21,520. The County is required to make quarterly fixed payments of \$1,162. The lease has an interest rate of 1.0112%. The value of the right to use asset as of 06/30/2024 of \$23,726 with accumulated amortization of \$2,260 is included with Equipment on the Right to Use Lease Asset 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 06/30/2024, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$554.85. The lease has an interest rate of 6.49%. The final payment was made April 2024. The County elected to purchase the vehicle for \$3,385 upon completion of the lease.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024 are:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 480,642	\$ 86,031	\$ -	\$ -
2026	424,084	72,376	-	-
2027	364,729	60,448	-	-
2028	340,817	49,378	-	-
2029	329,011	39,153	-	-
2030-2034	1,024,746	60,002	-	-
Total	\$ 2,964,029	\$ 367,388	\$ -	\$ -

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.

\$ 6,200,000

\$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. 303,439

\$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. 306,030

\$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. 3,262,254

Total serviced by General Fund \$ 10,071,723

Annual debt service principal and interest payments for the installment purchase as of June 30, 2024, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
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	231,100	67,034
2030-2034	1,155,500	233,257
2035-2039	951,254	64,702
Total	<u>\$ 10,071,723</u>	<u>\$ 1,029,312</u>

Serviced by Enterprise Fund:

Water and Sewer Fund:

\$4,175,000 direct borrowing contract with North Carolina Drinking Water State Revolving Fund issued March 16, 2017 for waterlines; financed for 20 years; due in annual payments of \$208,750, no interest, starting in 2019. \$ 2,843,942

Annual debt service principal and interest payments for the direct borrowing loan as of June 30, 2024, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 203,139	\$ -
2026	203,139	-
2027	203,139	-
2028	203,139	-
2029	203,139	-
2030-2034	812,556	-
2035-2039	1,015,691	-
Total	<u>\$ 2,843,942</u>	<u>\$ -</u>

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. There is no remaining term at June 30, 2024. 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, 2024 was \$0, 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. There is no remaining term as of June 30, 2024. 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, 2024 was \$0, 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, 2024 is six 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, 2024 was \$1,725, and amortization expense of \$875 is reflected on the Capital Asset schedule.

During the fiscal year of June 30, 2023, 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, 2024 was \$65,765, 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, 2024 were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 66,640	\$ 1,933
Total	<u>\$ 66,640</u>	<u>\$ 1,933</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, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Direct Placement Installment					
purchase obligations	\$ 13,070,691	\$ -	\$ 2,998,968	\$ 10,071,723	\$ 2,390,569
Lease Liability	3,406,879	54,127	496,977	2,964,029	480,642
IT Subscription liabilities	179,894	-	113,254	66,640	66,640
Net pension liability (LGERS)	8,368,014	1,652,644	-	10,020,658	1,903,997
Total pension liability (LEOSSA)	715,191	38,750	-	753,941	71,585
Compensated absences	954,963	33,702	-	988,665	247,166
Total OPEB Liability	7,288,393	131,148	-	7,419,541	301,013
Total governmental activities	<u>\$ 33,984,025</u>	<u>\$ 1,779,223</u>	<u>\$ 3,609,199</u>	<u>\$ 32,285,197</u>	<u>\$ 5,461,612</u>
Business-Type Activities:					
Water and Sewer Fund:					
Direct Borrowing Installment					
purchase obligations	\$ 3,047,081	\$ -	\$ 203,139	\$ 2,843,942	\$ 203,139
Lease Liability	5,387	-	5,387	-	-
Compensated Absences	1,735	529	-	2,264	566
Net pension liability (LGERS)	37,021	5,633	-	42,654	6,575
Total OPEB Liability	22,921	412	-	23,333	-
Total Water and Sewer	<u>3,114,145</u>	<u>6,574</u>	<u>208,526</u>	<u>2,912,193</u>	<u>210,280</u>
Landfill Fund					
Compensated Absences	16,713	601	-	17,314	4,329
Net pension liability (LGERS)	125,368	26,436	-	151,804	30,374
Total OPEB Liability	112,389	2,022	-	114,411	1,583
Total Landfill	<u>254,470</u>	<u>29,059</u>	<u>-</u>	<u>283,529</u>	<u>36,286</u>
Total business type activities	<u>\$ 3,368,615</u>	<u>\$ 35,633</u>	<u>\$ 208,526</u>	<u>\$ 3,195,722</u>	<u>\$ 246,566</u>

Net pension liability, total pension liability, and net other postemployment liability for governmental activities are all typically liquidated in the general fund. Compensated absences for governmental activities typically have been liquidated in the general fund. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

At June 30, 2024, the County had a legal debt margin of \$323,805,144.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2024, consist of the following:

Due to the General Fund from the Coronavirus Relief Fund to cover deficit cash balances.	<u>\$ 92,000</u>
Total	<u>\$ 92,000</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, 2024 consist of the following:

Transfer from the General Fund to the Vehicle Replacement fund to provide resources for capital purchases.	\$ 523,301
Transfer from the General Fund to the Capital Project Fund to provide resources for capital projects.	<u>1,833,423</u>
Total Transfers	<u><u>\$ 2,356,724</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, 2024. 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, 2024. 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, 2024. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$505,696 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 \$12,557 to the Council during the fiscal year ended June 30, 2024.

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, 2024, 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 23, 2024, the date these financial statements were available to be issued.

NOTE IX: Restatement - Change in Accounting Principles

In the prior fiscal year, the County received money from the Opioid Settlement. At that time the appropriate accounting and financial reporting guidance was thought to be that for government-mandated and voluntary nonexchange transactions. As such revenue recognition could only occur when all eligibility requirements were met. The incurrence of qualifying expenditures was among the eligibility requirements. The County incurred \$86,771 in qualifying expenditures, deferring the rest of the income as unrecognized grant proceeds. See note I.D.12 Opioid Settlement Funds for further discussion of this nationwide settlement.

During FY24 the conclusion for the appropriate accounting and financial reporting guidance evolved. Instead of a single approach being applicable to the activity, there was realization that the approach needed to be more nuanced. Based on the facts and circumstances of the different distribution methods of the funds, It was determined that the appropriate guidance is either that for exchange and exchange-like transactions or that for government-mandated or voluntary nonexchange transactions.

After reviewing the method through which the County received the resources it was determined that the activity should have followed the guidance for exchange and exchange-like transactions. As a result, it was necessary for the County to record prior period adjustments in FY24 for a change in accounting principle

As an exchange/exchange-like transaction the County should have recognized revenue when they obtained a legal claim to the resources. For the opioid settlement the County obtains a claim to the resources on an accrual basis as settlements are finalized. On the modified accrual basis of accounting the resources must also be measurable and available for revenue recognition to occur.

Over the course of the previous two fiscal years, the County had deferred \$458,318 in cash receipts as unrecognized revenue. This amount qualified for revenue recognition on both an accrual and modified accrual basis of accounting. It was also necessary to determine if any additional revenue should have been recognized on an accrual basis in FY23. Given that settlements had reached \$26 billion in FY23 it was necessary to determine the portion of that amount related to the County and recognize an additional prior period adjustment for that amount.

Following are the prior period adjustments for this change in accounting principle:

<u>Accrual basis of accounting</u>	<u>Governmental Activities</u>	
Net position, beginning, as previously reported	\$ 64,363,918	
Prior period adjustment - change in accounting principle - Revenue for cash received	458,318	
Prior period adjustment - change in accounting principle - County's share of NC's Unpaid Aggregate Settlements thru FY 23, net of allowance for uncollectible accounts of \$571,793	<u>5,146,136</u>	
Net Position, beginning, as restated	<u>\$ 69,968,372</u>	
	Opioid Settlement - Major Special Revenue Fund	Total Governmental Funds
<u>Modified accrual basis of accounting</u>		
Fund balances, beginning, as previously reported	\$ -	\$ 32,581,128
Prior period adjustment - change in accounting principle - Revenue for cash received that was measurable and available	<u>458,318</u>	<u>458,318</u>
Net position, beginning, as restated	<u>\$ 458,318</u>	<u>\$ 33,039,446</u>

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

Schedule of County Contributions (LGERS)

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

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEO)

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

Schedule of County Contributions (OPEB)

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

Local Government Employees' Retirement System					
	2024	2023	2022	2021	2020
County's proportionate share of the net pension liability (%)	0.154%	0.151%	0.147%	0.159%	0.159%
County's proportionate share of the net pension liability (\$)	\$10,215,118	\$ 8,530,403	\$ 2,261,901	\$ 5,668,526	\$ 4,353,636
County's covered payroll	\$ 12,813,100	\$ 12,000,029	\$ 10,775,241	\$ 10,530,790	\$ 10,259,834
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.72%	71.09%	20.99%	53.83%	42.43%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	90.86%
	2019	2018	2017	2016	2015
County's proportionate share of the net pension liability (%)	0.157%	0.167%	0.164%	0.153%	0.149%
County's proportionate share of the net pension liability (\$)	\$ 3,722,916	\$ 2,552,367	\$ 3,474,687	\$ 684,815	\$ (876,187)
County's covered payroll	\$ 9,945,667	\$ 10,364,740	\$ 9,483,593	\$ 9,171,663	\$ 9,009,225
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.43%	24.63%	36.64%	7.47%	-9.73%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	102.64%

* 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

Local Government Employees' Retirement System					
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 1,940,946	\$ 1,575,281	\$ 1,383,371	\$ 1,112,169	\$ 961,127
Contributions in relation to the contractually required contribution	1,940,946	1,575,281	1,383,371	1,112,169	961,127
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$14,807,895	\$ 12,813,100	\$ 12,000,029	\$ 10,775,241	\$10,530,790
Contributions as a percentage of covered payroll	13.11%	12.29%	11.53%	10.32%	9.13%
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 813,578	\$ 763,874	\$ 772,043	\$ 646,278	\$ 651,854
Contributions in relation to the contractually required contribution	813,578	763,874	772,043	646,278	651,854
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$10,259,834	\$ 9,945,667	\$ 10,364,740	\$ 9,483,593	\$ 9,171,663
Contributions as a percentage of covered payroll	7.93%	7.68%	7.45%	6.81%	7.11%

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

Local Government Employees' Retirement System					
	2024	2023	2022	2021	2020
County's proportionate share of the net pension (asset) liability (%)	0.327%	0.299%	0.270%	0.296%	0.275%
County's proportionate share of the net pension (asset) liability (\$)	\$ (39,347)	\$ (39,633)	\$ (51,810)	\$ (67,803)	\$ (54,208)
Plan fiduciary net position as a percentage of the total pension liability	135.74%	139.04%	156.53%	173.62%	164.11%
	2019	2018	2017	2016	2015
County's proportionate share of the net pension (asset) liability (%)	0.300%	0.311%	0.320%	0.309%	0.315%
County's proportionate share of the net pension (asset) liability (\$)	\$ (49,704)	\$ (53,165)	\$ (59,859)	\$ (71,721)	\$ (71,434)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

* 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					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's required contribution	\$ 2,901	\$ 2,922	\$ 3,432	\$ 3,236	\$ 2,833
Contributions in relation to contractually required contribution	2,901	2,922	3,432	3,236	2,833
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's required contribution	\$ 3,907	\$ 3,688	\$ 2,706	\$ 2,616	\$ 2,462
Contributions in relation to contractually required contribution	3,907	3,688	2,706	2,616	2,462
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 715,191	\$ 956,678	\$ 926,837	\$ 518,228
Service cost	45,671	49,287	47,736	46,233
Interest on the total pension liability	27,919	19,345	17,649	16,394
Difference between expected and actual experience	(1,595)	(140,317)	-	142,076
Changes of assumptions and other inputs	16,810	(134,637)	(10,732)	234,618
Benefit payments	<u>(50,055)</u>	<u>(35,165)</u>	<u>(24,812)</u>	<u>(30,712)</u>
Ending balance of total pension liability	<u><u>\$ 753,941</u></u>	<u><u>\$ 715,191</u></u>	<u><u>\$ 956,678</u></u>	<u><u>\$ 926,837</u></u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 593,073	\$ 639,467	\$ 626,059	\$ 650,285
Service cost	43,337	46,280	37,247	39,805
Interest on the total pension liability	20,927	19,321	23,136	21,954
Difference between expected and actual experience	(121,603)	(31,165)	(34,456)	-
Changes of assumptions and other inputs	18,789	(24,713)	40,868	(15,339)
Benefit payments	<u>(36,295)</u>	<u>(56,117)</u>	<u>(53,387)</u>	<u>(70,646)</u>
Ending balance of total pension liability	<u><u>\$ 518,228</u></u>	<u><u>\$ 593,073</u></u>	<u><u>\$ 639,467</u></u>	<u><u>\$ 626,059</u></u>

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

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

Yadkin County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Last Eight Fiscal Years

	2024	2023	2022	2021
Total pension liability	\$ 753,941	\$ 715,191	\$ 956,678	\$ 926,837
Covered payroll	1,708,648	1,708,648	1,793,533	1,793,533
Total pension liability as a percentage of covered payroll	44.13%	41.86%	53.34%	51.68%
	2020	2019	2018	2017
Total pension liability	\$ 518,228	\$ 593,073	\$ 639,467	\$ 626,059
Covered payroll	1,715,483	1,680,167	1,652,332	1,586,114
Total pension liability as a percentage of covered payroll	30.21%	35.30%	38.70%	39.47%

Notes to the schedules:

Yadkin County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

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

Yadkin County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 524,518	\$ 368,611	\$ 356,320	\$ 348,616
Interest	263,844	188,617	194,287	276,298
Changes of benefit terms	124,537	(122,489)	-	-
Differences between expected and actual experience	-	(416,420)	-	186,234
Changes of assumptions	(107,833)	(989,209)	44,103	1,035,963
Benefit payments	(671,484)	(675,355)	(632,018)	(566,039)
Net change in total OPEB liability	<u>133,582</u>	<u>(1,646,245)</u>	<u>(37,308)</u>	<u>1,281,072</u>
Total OPEB liability - beginning	<u>7,423,704</u>	<u>9,069,949</u>	<u>9,107,257</u>	<u>7,826,185</u>
Total OPEB liability - ending	<u><u>\$ 7,557,286</u></u>	<u><u>\$ 7,423,704</u></u>	<u><u>\$ 9,069,949</u></u>	<u><u>\$ 9,107,257</u></u>
Covered payroll	\$ 9,604,674	\$ 9,604,674	\$ 9,976,834	\$ 9,976,834
Total OPEB liability as a percentage of covered payroll	78.68%	77.29%	90.91%	91.28%
Discount Rate	3.86%	3.69%	2.16%	2.21%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Total OPEB Liability				
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)	
Net change in total OPEB liability	<u>369,459</u>	<u>1,810,258</u>	<u>(224,601)</u>	
Total OPEB liability - beginning	<u>7,456,726</u>	<u>5,646,468</u>	<u>5,871,069</u>	
Total OPEB liability - ending	<u><u>\$ 7,826,185</u></u>	<u><u>\$ 7,456,726</u></u>	<u><u>\$ 5,646,468</u></u>	
Covered payroll	\$ 10,564,860	\$ 10,564,860	\$ 8,448,108	
Total OPEB liability as a percentage of covered payroll	74.08%	70.58%	66.84%	
Discount Rate	3.50%	3.89%	3.56%	

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 discount rates used in each period are disclosed above.

GENERAL FUND

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

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 24,775,211	\$ 26,091,564	\$ 1,316,353
Penalties and interest	180,100	175,778	(4,322)
Total	24,955,311	26,267,342	1,312,031
Local option sales tax:			
Article 39 and 44	4,774,535	5,247,719	473,184
Article 40 one - half of one percent	3,318,935	3,604,671	285,736
Article 42 one - half of one percent	1,868,935	2,016,331	147,396
Medicaid hold harmless payment	1,587,339	1,045,705	(541,634)
Total	11,549,744	11,914,426	364,682
Other taxes & licenses:			
Unfortified wine tax	123,600	151,935	28,335
Unrestricted intergovernmental:			
State aid to counties	79,113	79,113	-
Rural general public	81,684	81,684	-
Senior citizens exemptions	69,109	69,109	-
Total	229,906	229,906	-
Restricted intergovernmental:			
Federal and State grants	10,412,588	9,116,995	(1,295,593)
Court facilities fees	49,000	56,715	7,715
Total	10,461,588	9,173,710	(1,287,878)
Permits and fees:			
Building permits and inspection fees	130,000	152,955	22,955
Fire inspection fees	20,000	37,801	17,801
Register of Deeds	284,000	298,644	14,644
Other permits and fees	14,000	19,519	5,519
Total	448,000	508,919	60,919
Sales and services:			
Rents, concessions, and fees	171,150	201,290	30,140
Ambulance fees	1,631,000	1,825,625	194,625
Jail fees	66,500	181,258	114,758
Sheriff's fees	68,500	68,858	358
Court costs and officer's fees	23,000	16,883	(6,117)
Liaison officer program	337,460	443,544	106,084
Environmental health fees	111,000	119,015	8,015
Recreation fees	69,875	100,097	30,222
Other fees	377,789	423,885	46,096
Total	2,856,274	3,380,455	524,181

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Investment earnings	203,000	665,294	462,294
Miscellaneous:			
Cablevision fees	65,000	55,125	(9,875)
Miscellaneous	432,892	500,073	67,181
Total	497,892	555,198	57,306
Total revenues	51,325,315	52,847,185	1,521,870
Expenditures:			
General Government:			
Governing Body:			
Salaries and benefits		13,777	
Operating expenses		61,135	
Total	94,343	74,912	19,431
Administration:			
Salaries and benefits		669,271	
Operating expenses		25,019	
Total	731,788	700,032	31,756
Elections:			
Salaries and benefits		184,291	
Operating expenses		84,340	
Total	288,737	276,614	12,123
Finance:			
Salaries and benefits		350,986	
Operating expenses		21,556	
Total	395,840	378,284	17,556
Information Services:			
Salaries and benefits		630,108	
Operating expenses		28,675	
Total	696,003	658,783	37,220
Tax Assessor:			
Salaries and benefits		366,438	
Operating expenses		163,308	
Total	540,283	529,746	10,537
Revaluation:			
Salaries and benefits		256,332	
Operating expenses		11,114	
Total	276,904	267,446	9,458
Tax Department	817,187	797,192	19,995

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
License Plate Agency:			
Salaries and benefits		167,390	
Operating expenses		926	
Total	178,745	168,316	10,429
Register of Deeds:			
Salaries and benefits		276,594	
Operating expenses		53,073	
Total	347,275	329,667	17,608
Public Buildings:			
Salaries and benefits		378,739	
Operating expenses		315,751	
Capital outlay		3,986	
Total	751,598	698,476	53,122
Hospital:			
Salaries and benefits		48,136	
Operating expenses		133,275	
Total	190,299	181,411	8,888
Court Facilities:			
Salaries and benefits		45,425	
Total	49,000	45,425	3,575
Other Non-Departmental			
Professional services		891,064	
Other Nondepartmental		187,029	
Capital Outlay		1,054,778	
Total	3,242,221	2,132,871	1,109,350
Total General Government	7,783,036	6,441,983	1,341,053
Public Safety:			
Sheriff:			
Salaries and benefits		3,753,190	
Operating expenses		911,180	
Capital outlay		5,895	
Total	4,957,345	4,670,265	287,080

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Communications			
Salaries and benefits		832,242	
Operating expenses		69,994	
Total	959,571	902,236	57,335
Jail:			
Salaries and benefits		1,538,532	
Operating expenses		704,539	
Total	2,400,915	2,243,071	157,844
Liaison Officer:			
Salaries and benefits		575,943	
Separation allowance		77,062	
Total	674,935	653,005	21,930
Total Sheriff	8,992,766	8,468,577	524,189
Emergency Medical Services:			
Salaries and benefits		4,231,223	
Operating expenses		1,114,560	
Capital outlay		11,079	
Total	8,869,441	5,356,862	3,512,579
Fire Marshal:			
Salaries and benefits		204,902	
Operating expenses		38,302	
Total	283,209	243,204	40,005
Total Emergency Services	9,152,650	5,600,066	3,552,584
Animal Shelter			
Salaries and benefits		228,396	
Operating expenses		88,876	
Total	338,752	317,272	21,480
Medical Examiner:			
Contracted Services	40,000	39,550	450
Building Inspections:			
Salaries and benefits		514,379	
Operating expenses		39,633	
Total	643,700	586,542	57,158
Total Public Safety	19,167,868	15,012,007	4,155,861

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Economic and Physical Development:			
Cooperative Extension Service:			
Operating expenses		220,213	
Total	265,095	220,213	44,882
Soil and Water Conservation:			
Salaries and benefits		234,465	
Operating expenses		81,525	
Total	415,009	315,990	99,019
Economic Development:			
Operating expenses	551,500	477,232	74,268
Economic Development Projects:			
Total	25,000	25,000	-
Total Economic and Physical Development	1,256,604	1,038,435	218,169
Human Services:			
Health:			
Administration:			
Salaries and benefits		438,934	
Operating expenses		137,609	
Total	811,656	576,543	235,113
Nursing and Medical:			
Salaries and benefits		110,978	
Operating expenses		54,767	
Total	176,936	165,745	11,191
Medicaid Case Manager			
Salaries and benefits		88,254	
Operating expenses		2,465	
Total	154,918	90,719	64,199
Preparedness:			
Salaries and benefits		13,256	
Operating expenses		8,476	
Total	31,285	21,732	9,553
Tuberculosis:			
Operating expenses	1,692	140	1,552

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Immunization			
Operating expenses		14,249	
Total	24,800	14,249	10,551
Health - Viral Hepatitis			
Salaries and benefits		39,601	
Operating expenses		719	
Total	77,159	40,320	36,839
Environmental Health:			
Salaries and benefits		237,395	
Operating expenses		70,247	
Total	388,977	309,772	79,205
Child Health:			
Salaries and benefits		143,410	
Operating expenses		61,081	
Total	300,835	204,491	96,344
Maternal Health:			
Salaries and benefits		73,778	
Operating expenses		49,569	
Total	143,950	123,347	20,603
Family Planning:			
Salaries and benefits		78,781	
Operating expenses		39,157	
Total	146,060	117,938	28,122
Women, Infants, and Children:			
Salaries and benefits		219,687	
Operating expenses		1,603	
Total	248,331	221,290	27,041
Health Education			
Salaries and benefits		44,565	
Operating expenses		4,453	
Total	68,265	49,018	19,247
Total Health	2,574,914	1,935,304	639,610

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Social Services:			
Administration:			
Salaries and benefits		4,100,630	
Operating expenses		315,575	
Capital outlay		65,490	
Total	5,032,670	4,481,695	550,975
Assistance Programs:			
Operating Expenses	1,816,697	1,106,445	710,252
County Portion - Aid			
Operating expenses	387,623	360,095	27,528
Total social services	7,236,990	5,948,235	1,288,755
Other Human Services:			
Operating expenses	3,081,118	3,057,176	23,942
Veterans Services:			
Salaries and benefits		65,494	
Operating expenses		1,034	
Total	69,858	66,528	3,330
Juvenile Crime Prevention Council:			
Salaries and benefits		24,720	
Operating expenses		322,928	
Total	353,699	347,648	6,051
Mental Health:			
Contribution to Partners Behavioral Health	118,000	118,000	-
Total other human services	3,622,675	3,589,352	33,323
Total Human Services	13,434,579	11,472,891	1,961,688
Cultural and Recreation:			
Recreational:			
Salaries and benefits		561,711	
Operating expenses		187,980	
Total	913,259	749,691	163,568
Total Cultural and Recreational	913,259	749,691	163,568

Yadkin County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Education:			
Public Schools:			
Current expense		8,200,000	
Capital outlay		2,948,487	
Total	11,541,640	11,148,487	393,153
Community College:			
Current expense	462,000	420,499	41,501
Total Education	12,003,640	11,568,986	434,654
Debt service:			
Principal	2,998,973	2,998,968	5
Interest	303,125	303,001	124
Total debt service	3,302,098	3,301,969	129
Total expenditures	57,861,084	49,585,962	8,275,122
Revenue over (under) expenditures	(6,535,769)	3,261,223	9,796,992
Other financing sources (uses):			
Lease Liabilities Issued	3,817,686	54,126	(3,763,560)
Subscription Liabilities Issued	406,863	-	(406,863)
Transfers to other funds:			
Capital Projects Fund	(2,356,724)	(2,356,724)	-
Total other financing sources (uses)	1,867,825	(2,302,598)	(4,170,423)
Revenues and other financing sources over (under) expenditures and other financing uses	(4,667,944)	958,625	5,626,569
Fund balance appropriated	4,667,944	-	(4,667,944)
Net change in fund balance	\$ -	958,625	\$ 958,625
Fund balance, beginning		22,855,747	
Prior Period Adjustment (see Note X)		-	
Fund balance, beginning, as restated		22,855,747	
Fund balance, ending		\$ 23,814,372	

OTHER MAJOR GOVERNMENTAL FUNDS

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.

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, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental					
Opioid Settlement	\$ 242,093	\$ 469,355	\$ 993,803	\$ 1,463,158	\$ 1,221,065
Partners for Opioid Abatement	-	75,734	-	75,734	75,734
Total revenues	<u>242,093</u>	<u>545,089</u>	<u>993,803</u>	<u>1,538,892</u>	<u>1,296,799</u>
Expenditures:					
Opioid Recovery					
Salaries and benefits	137,563	9,179	136,644	145,823	(8,260)
Other operating expenses	<u>104,530</u>	<u>77,592</u>	<u>673</u>	<u>78,265</u>	<u>26,265</u>
Total expenditures	<u>242,093</u>	<u>86,771</u>	<u>137,317</u>	<u>224,088</u>	<u>18,005</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 458,318</u>	856,486	<u>\$ 1,314,804</u>	<u>\$ 1,314,804</u>
Fund balance, beginning (restated, see note IX)			<u>458,318</u>		
Fund balance, ending			<u>\$ 1,314,804</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, 2024

	Project	Actual			Total	Variance
	Authorization	Prior	Current	Closed Out	To Date	Positive
		Years	Year	Projects		(Negative)
Revenues:						
Restricted Intergovernmental:						
Watershed Restoration Grant	\$ 41,876	\$ 865,846	\$ 19,440	\$ -	\$ 885,286	\$ 843,410
SCIF Grant	1,500,000	-	-	-	-	(1,500,000)
Division of Soil & Water Grant	2,000,000	-	1,110,594	-	1,110,594	(889,406)
Investment earnings - other	-	184	-	-	184	184
Total revenues	<u>3,541,876</u>	<u>866,030</u>	<u>1,130,034</u>	<u>-</u>	<u>1,996,064</u>	<u>(1,545,812)</u>
Expenditures:						
Watershed Project						
Professional services	19,073	830,928	18,385	-	849,313	(830,240)
Technical assistance	22,800	7,200	1,055	-	8,255	14,545
Mussel survey	3	17,557	-	-	17,557	(17,554)
Yadkin County Public Facilities Project						
Professional services	341,992	195,859	320,498	-	516,357	(174,365)
SCIF Grant	1,500,000	-	-	-	-	1,500,000
EMS Outpost	1,546,638	-	519,789	-	519,789	1,026,849
County Building	5,433,518	-	1,993,122	-	1,993,122	3,440,396
Testing	91,500	-	49,249	-	49,249	42,251
Furniture	100,000	-	-	-	-	100,000
Contingency	108,500	-	-	-	-	108,500
Stream Debris Removal						
Expense	<u>2,100,000</u>	<u>241,978</u>	<u>1,413,731</u>	<u>-</u>	<u>1,655,709</u>	<u>444,291</u>
Total expenditures	<u>11,264,024</u>	<u>1,293,522</u>	<u>4,315,829</u>	<u>-</u>	<u>5,609,351</u>	<u>5,654,673</u>
Revenues over (under) expenditures	(7,722,148)	(427,492)	(3,185,795)	-	(3,613,287)	4,108,861
Other Financing Sources (Uses):						
From General Fund:						
Public Facilities Project	1,833,423	5,800,000	1,833,423	-	7,633,423	(5,800,000)
Stream Debris Removal	-	100,000	-	-	100,000	(100,000)
To General Fund	-	(40,243)	-	-	(40,243)	40,243
Appropriated Fund Balance	<u>5,888,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,888,725)</u>
Total Other Financing Sources (Uses)	<u>7,722,148</u>	<u>5,859,757</u>	<u>1,833,423</u>	<u>-</u>	<u>7,693,180</u>	<u>(11,748,482)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,432,265</u>	<u>(1,352,372)</u>	<u>\$ -</u>	<u>\$ 4,079,893</u>	<u>\$ (7,639,621)</u>
Fund balance, beginning			<u>8,524,000</u>			
Fund balance, ending			<u>\$ 7,171,628</u>			

NON-MAJOR GOVERNMENTAL FUNDS

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

Yadkin County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total
Assets:			
Cash and cash equivalents	\$ 969,439	\$ 160,456	\$ 1,129,895
Taxes receivable, net	43,441	-	43,441
Total assets	<u>\$ 1,012,880</u>	<u>\$ 160,456</u>	<u>\$ 1,173,336</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 34,041	\$ 14,328	\$ 48,369
Due to other funds	92,000	-	92,000
Total liabilities	<u>126,041</u>	<u>14,328</u>	<u>140,369</u>
Deferred Inflows of Resources			
Taxes receivables	<u>43,441</u>	<u>-</u>	<u>43,441</u>
Fund Balances:			
Restricted for human services	9,949	-	9,949
Restricted for public safety	930,558	-	930,558
Committed	-	146,128	146,128
Unassigned	(98,431)	-	(98,431)
Total fund balances	<u>843,398</u>	<u>146,128</u>	<u>989,526</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,012,880</u>	<u>\$ 160,456</u>	<u>\$ 1,173,336</u>

Yadkin County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total
Revenues:			
Ad valorem taxes	\$ 2,039,443	\$ -	\$ 2,039,443
Sales tax	188,475	-	188,475
Other taxes and license	66,362	-	66,362
Restricted intergovernmental	558,152	-	558,152
Permits and fees	17,763	-	17,763
Sales and services	149,331	-	149,331
Interest earned	15,744	-	15,744
Miscellaneous revenues	-	11,250	11,250
Total revenues	<u>3,035,270</u>	<u>11,250</u>	<u>3,046,520</u>
Expenditures:			
General government	212,109	704,874	916,983
Public safety	2,471,594	-	2,471,594
Human services	326,737	-	326,737
Economic and physical development	66,362	-	66,362
Total expenditures	<u>3,076,802</u>	<u>704,874</u>	<u>3,781,676</u>
Revenues over (under) expenditures	(41,532)	(693,624)	(735,156)
Other financing sources (uses):			
Transfers from other funds:			
General Fund	<u>-</u>	<u>523,301</u>	<u>523,301</u>
Net change in fund balances	(41,532)	(170,323)	(211,855)
Fund Balances:			
Fund balance, beginning	<u>884,930</u>	<u>316,451</u>	<u>1,201,381</u>
Fund balance, ending	<u>\$ 843,398</u>	<u>\$ 146,128</u>	<u>\$ 989,526</u>

Yadkin County
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024

	Emergency Telephone System Fund	Law Enforcement Fund	Fire Districts Fund	Occupancy Tax Revenue Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Coronavirus Relief Fund	Total
Assets:									
Cash and cash equivalents	\$ 359,462	\$ 163,942	\$ 424,154	\$ -	\$ 1,322	\$ 10,610	\$ 9,949	\$ -	\$ 969,439
Taxes receivable, net	-	-	43,441	-	-	-	-	-	43,441
Total assets	<u>\$ 359,462</u>	<u>\$ 163,942</u>	<u>\$ 467,595</u>	<u>\$ -</u>	<u>\$ 1,322</u>	<u>\$ 10,610</u>	<u>\$ 9,949</u>	<u>\$ -</u>	<u>\$ 1,012,880</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable and accrued liabilities	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ 10,610	\$ -	\$ 6,431	\$ 34,041
Due to other funds	-	-	-	-	-	-	-	92,000	92,000
Total liabilities	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,610</u>	<u>-</u>	<u>98,431</u>	<u>126,041</u>
Deferred Inflows of Resources									
Taxes receivable	<u>-</u>	<u>-</u>	<u>43,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,441</u>
Fund Balances:									
Restricted:									
Human Services	-	-	-	-	-	-	9,949	-	9,949
Public Safety	342,462	163,942	424,154	-	-	-	-	-	930,558
Unassigned	-	-	-	-	-	-	-	(98,431)	(98,431)
Total fund balances	<u>342,462</u>	<u>163,942</u>	<u>424,154</u>	<u>-</u>	<u>1,322</u>	<u>-</u>	<u>9,949</u>	<u>(98,431)</u>	<u>843,398</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 359,462</u>	<u>\$ 163,942</u>	<u>\$ 467,595</u>	<u>\$ -</u>	<u>\$ 1,322</u>	<u>\$ 10,610</u>	<u>\$ 9,949</u>	<u>\$ -</u>	<u>\$ 1,012,880</u>

Yadkin County
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2024

	Emergency Telephone System Fund	Law Enforcement Fund	Fire Districts Fund	Occupancy Tax Revenue Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Coronavirus Relief Fund	Total
Revenues:									
Ad valorem taxes	\$ -	\$ -	\$ 2,039,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,039,443
Sales tax	-	-	188,475	-	-	-	-	-	188,475
Other taxes and license	-	-	-	66,362	-	-	-	-	66,362
Restricted intergovernmental	171,122	15,047	-	-	-	-	75,411	296,572	558,152
Permits and fees	-	-	-	-	17,763	-	-	-	17,763
Sales and services	-	-	-	-	-	149,331	-	-	149,331
Interest earned	-	-	15,744	-	-	-	-	-	15,744
Total revenues	<u>171,122</u>	<u>15,047</u>	<u>2,243,662</u>	<u>66,362</u>	<u>17,763</u>	<u>149,331</u>	<u>75,411</u>	<u>296,572</u>	<u>3,035,270</u>
Expenditures:									
General Government	-	-	-	-	18,149	149,331	-	44,629	212,109
Public safety	260,460	-	2,211,134	-	-	-	-	-	2,471,594
Human services	-	-	-	-	-	-	81,615	245,122	326,737
Economic and physical development	-	-	-	66,362	-	-	-	-	66,362
Total expenditures	<u>260,460</u>	<u>-</u>	<u>2,211,134</u>	<u>66,362</u>	<u>18,149</u>	<u>149,331</u>	<u>81,615</u>	<u>289,751</u>	<u>3,076,802</u>
Revenues over (under) expenditures	(89,338)	15,047	32,528	-	(386)	-	(6,204)	6,821	(41,532)
Other Financing Sources(Uses):									
Transfer from General Fund	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(89,338)	15,047	32,528	-	(386)	-	(6,204)	6,821	(41,532)
Fund Balances:									
Fund balance, beginning	<u>431,800</u>	<u>148,895</u>	<u>391,626</u>	<u>-</u>	<u>1,708</u>	<u>-</u>	<u>16,153</u>	<u>(105,252)</u>	<u>884,930</u>
Fund balance, ending	<u>\$ 342,462</u>	<u>\$ 163,942</u>	<u>\$ 424,154</u>	<u>\$ -</u>	<u>\$ 1,322</u>	<u>\$ -</u>	<u>\$ 9,949</u>	<u>\$ (98,431)</u>	<u>\$ 843,398</u>

Yadkin County
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 171,122	\$ 171,122	\$ -
Expenditures:			
Public safety:			
Telephone	20,000	12,617	(7,383)
Contracted services	178,300	158,931	(19,369)
Operating expenses	23,900	18,968	(4,932)
Capital, other eligible expenses	90,000	69,944	(20,056)
Total expenditures	312,200	260,460	(51,740)
Revenues over (under) expenditures	(141,078)	(89,338)	51,740
Other Financing Sources (Uses):			
Appropriated fund balance	141,078	-	(141,078)
Total Other Financing Sources (Uses)	141,078	-	(141,078)
Net change in fund balance	\$ -	(89,338)	\$ (89,338)
Fund balance, beginning		431,800	
Fund balance, ending		\$ 342,462	
PSAP RECONCILIATION			
June 30, 2024			
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		\$ 342,462	
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		\$ 342,462	

Yadkin County
Law Enforcement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Federal			
DOJ Funds	\$ 1,000	\$ -	\$ (1,000)
Treasury Funds	1,000	-	(1,000)
State			
Controlled Substance	12,000	15,047	3,047
Total revenue	<u>14,000</u>	<u>15,047</u>	<u>1,047</u>
Expenditures:			
Public safety:			
Federal			
DOJ Funds	1,000	-	1,000
Treasury Funds	1,000	-	1,000
State			
Law Enforcement Expenses	12,000	-	12,000
Total expenditures	<u>14,000</u>	<u>-</u>	<u>14,000</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	15,047	<u>\$ 15,047</u>
Fund Balance:			
Beginning of year - July 1		<u>148,895</u>	
End of year - June 30		<u>\$ 163,942</u>	

Yadkin County
Fire Districts Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 2,004,237	\$ 2,039,443	\$ 35,206
Sales tax	211,342	188,475	(22,867)
Interest income	-	15,744	15,744
Total revenues	<u>2,215,579</u>	<u>2,243,662</u>	<u>28,083</u>
Expenditures:			
Public safety:			
Fire tax distributed to fire districts	<u>2,215,579</u>	<u>2,211,134</u>	<u>4,445</u>
Total expenses	<u>2,215,579</u>	<u>2,211,134</u>	<u>4,445</u>
Other Financing Sources(Uses):			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>32,528</u>	<u>\$ 32,528</u>
Fund Balance:			
Beginning of year - July 1		<u>391,626</u>	
End of year - June 30		<u>\$ 424,154</u>	

Yadkin County
Occupancy Tax Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Occupancy tax revenue	\$ 70,000	\$ 66,362	\$ (3,638)
Expenditures:			
Economic and physical development:			
Tourism related programs	70,000	66,362	3,638
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		\$ -	

Yadkin County
Deed of Trust Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Permits and fees			
Register of deeds	\$ 25,000	\$ 17,763	\$ (7,237)
Expenditures:			
General Government			
Payments of fees collected to the			
State of North Carolina	25,000	18,149	6,851
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	(386)	\$ (386)
Fund Balance:			
Fund balance, beginning		1,708	
Fund balance, ending		\$ 1,322	

Yadkin County
Fines and Forfeitures Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services			
Penalties, fines, and forfeitures	\$ 200,000	\$ 149,331	\$ (50,669)
Expenditures:			
General Government			
Payments of penalties, fines and forfeitures to the Board of Education	200,000	149,331	50,669
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

Yadkin County
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 365,000	\$ 75,411	\$ (289,589)
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>365,000</u>	<u>81,615</u>	<u>283,385</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(6,204)</u>	<u><u>\$ (6,204)</u></u>
Fund balance, beginning		<u>16,153</u>	
Fund balance, ending		<u><u>\$ 9,949</u></u>	

Yadkin County
Coronavirus Relief Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
CARES Act Funding	<u>\$ 646,627</u>	<u>\$ 296,572</u>	<u>\$ (350,055)</u>
Expenditures:			
General Government	396,949	44,629	352,320
Human Services			
Public Health Expenses	<u>249,678</u>	<u>245,122</u>	<u>4,556</u>
Total expenses	<u>646,627</u>	<u>289,751</u>	<u>356,876</u>
Net change in fund balance	<u>\$ -</u>	6,821	<u>\$ 6,821</u>
Fund Balance:			
Beginning of year - July 1		<u>(105,252)</u>	
End of year - June 30		<u>\$ (98,431)</u>	

Yadkin County
Vehicle Replacement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Miscellaneous sale of surplus property	\$ -	\$ 11,250	\$ 11,250
Expenditures:			
General government:			
Equipment	780,301	704,874	75,427
Revenues over (under) expenditures	(780,301)	(693,624)	(64,177)
Other Financing Sources(Uses):			
Transfer from General Fund	523,301	523,301	-
Appropriated Fund Balance	257,000	-	(257,000)
Total other financing sources (uses)	780,301	523,301	(257,000)
Net change in fund balance	\$ -	(170,323)	\$ (170,323)
Fund Balance:			
Beginning of year - July 1		316,451	
End of year - June 30		\$ 146,128	

ENTERPRISE FUNDS

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

**Yadkin County
Landfill Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2024**

	Final Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Solid waste fees	\$ 3,075,325	\$ 2,789,029	\$ (286,296)
Recycling fees	20,000	27,154	7,154
Miscellaneous	-	338	338
Total operating revenues	<u>3,095,325</u>	<u>2,816,521</u>	<u>(278,804)</u>
Non-operating revenues:			
Grants	2,000	864	(1,136)
Solid waste disposal tax	29,000	31,645	2,645
Scrap tire disposal tax	70,000	71,674	1,674
White good disposal tax	19,000	21,751	2,751
Total non-operating revenues	<u>120,000</u>	<u>125,934</u>	<u>5,934</u>
Total revenues	<u>3,215,325</u>	<u>2,942,455</u>	<u>(272,870)</u>
Expenditures:			
Solid Waste:			
Operating expenditures:			
Personnel services	404,315	358,433	45,882
Contracted services	1,654	1,378	276
Maintenance	45,954	45,321	633
Other operating expenses	559,041	544,217	14,824
Disposal transfer fee	1,929,003	1,905,114	23,889
Total operating expenditures	<u>2,939,967</u>	<u>2,854,463</u>	<u>85,504</u>
Supplemental budget expenditures:			
Capital outlay	<u>207,291</u>	<u>207,291</u>	<u>-</u>
Total solid waste	<u>3,147,258</u>	<u>3,061,754</u>	<u>85,504</u>
Recycling:			
Other operating expenses	<u>68,067</u>	<u>67,131</u>	<u>936</u>
Total recycling	<u>68,067</u>	<u>67,131</u>	<u>936</u>
Total expenditures	<u>3,215,325</u>	<u>3,128,885</u>	<u>86,440</u>
Revenues over (under) expenditures	<u>-</u>	<u>(186,430)</u>	<u>(186,430)</u>

Yadkin County
Landfill Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Other financing sources (uses):			
Transfers (to)/from General Fund	-	-	-
Total other financing sources (uses)	-	-	-
Revenues and other financing sources (uses)			
over (under) expenditures	\$ -	(186,430)	\$ (186,430)
Reconciliation from budgetary basis (modified accrual)			
to full accrual:			
Reconciling items:			
Capital outlay		207,201	
Increase in accrued vacation pay		(601)	
Depreciation		(32,998)	
Increase deferred outflows - pension		9,957	
Increase deferred outflows - OPEB		(13,190)	
Increase in net pension liability		(26,436)	
Decrease deferred inflows - pension		1,408	
Decrease deferred inflows - OPEB		2,382	
Increase in other post-employment benefits		(2,022)	
Change in net position		\$ (40,729)	

Yadkin County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
East Bend Water Fees	\$ 175,000	\$ 192,642	\$ 17,642
Town of Jonesville	240,000	270,720	30,720
Miscellaneous	-	4	4
Total operating revenues	<u>415,000</u>	<u>463,366</u>	<u>48,366</u>
Nonoperating revenues:			
Grant	150,000	57,830	(92,170)
Total nonoperating revenues	<u>150,000</u>	<u>57,830</u>	<u>(92,170)</u>
Total Revenues	<u>565,000</u>	<u>521,196</u>	<u>(43,804)</u>
Expenditures:			
Hwy 21 Water Services			
Salaries & benefits	76,490	74,765	1,725
Maintenance	700	700	-
Other operating expenditures	174,243	149,770	24,473
Total water expense	<u>251,433</u>	<u>225,235</u>	<u>26,198</u>
EB Waterline Expense			
Contracted Services	24,450	3,096	21,354
Water Expense	95,000	86,018	8,982
Other operating expenditures	11,842	11,519	323
Total EB Waterline Expense	<u>131,292</u>	<u>100,633</u>	<u>30,659</u>
Grant Expenses - Asset Inventory	128,037	99,374	28,663
Debt Service			
Principal	203,140	203,139	1
Total debt service	<u>203,140</u>	<u>203,139</u>	<u>1</u>
Total expenditures	<u>713,902</u>	<u>628,381</u>	<u>85,521</u>
Revenues over (under) expenditures	<u>(148,902)</u>	<u>(107,185)</u>	<u>41,717</u>
Other financing sources (uses):			
Appropriated fund balance	148,902	-	(148,902)
Total other financing sources (uses)	<u>148,902</u>	<u>-</u>	<u>(148,902)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(107,185)</u>	<u>\$ (107,185)</u>

Yadkin County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(395,914)	
Principal paid on debt		203,139	
Lease payments		5,387	
Amortization - right to use assets		(5,085)	
Increase in compensated absences		(529)	
Increase deferred outflows - pension		2,064	
Increase in deferred outflows - OPEB		(1,075)	
Increase in net pension liability		(5,633)	
Decrease deferred inflows - pension		308	
Decrease deferred inflows - OPEB		486	
Increase in total OPEB liability		<u>(412)</u>	
Change in net position		<u>\$ (304,449)</u>	

Yadkin County
Group Insurance Internal Service Fund
Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services - premiums	\$ 3,400,000	\$ 3,509,707	\$ 109,707
Operating Expenditures:			
Insurance claims, premiums, and administration charges	<u>3,572,000</u>	<u>3,507,224</u>	<u>64,776</u>
Revenues over (under) expenditures	<u>(172,000)</u>	<u>2,483</u>	<u>174,483</u>
Other Financing Sources (Uses):			
Appropriated Fund Balance	<u>172,000</u>	<u>-</u>	<u>(172,000)</u>
Revenues over (under) expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 2,483</u>	<u>\$ 2,483</u>

CUSTODIAL FUNDS

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

Yadkin County
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ 38,435	\$ 23,317	\$ 61,752
Taxes receivable for other governments, net	31,508		31,508
Total assets	<u>69,943</u>	<u>23,317</u>	<u>93,260</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	38,435	-	38,435
Total liabilities	<u>38,435</u>	<u>-</u>	<u>38,435</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	31,508	23,317	54,825
Total net position	<u>\$ 31,508</u>	<u>\$ 23,317</u>	<u>\$ 54,825</u>

Yadkin County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 1,074,903	\$ -	\$ 1,074,903
Collections on behalf of inmates	-	121,408	121,408
Total additions	<u>1,074,903</u>	<u>121,408</u>	<u>1,196,311</u>
DEDUCTIONS			
Tax distributions to other governments	1,074,903	-	1,074,903
Payments on behalf of inmates	-	123,036	123,036
Total deductions	<u>1,074,903</u>	<u>123,036</u>	<u>1,197,939</u>
Net increase (decrease) in fiduciary net position	-	(1,628)	(1,628)
Net position, beginning	<u>31,508</u>	<u>24,945</u>	<u>56,453</u>
Net position, ending	<u><u>\$ 31,508</u></u>	<u><u>\$ 23,317</u></u>	<u><u>\$ 54,825</u></u>

OTHER SCHEDULES

This section includes additional information on property taxes.

**Yadkin County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2024**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2023</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2023-2024	\$ -	\$ 27,367,532	\$ 26,843,281	\$ 524,251
2022-2023	449,470	-	208,985	240,485
2021-2022	172,310	-	66,579	105,731
2020-2021	123,049	-	36,163	86,886
2019-2020	94,096	-	31,453	62,643
2018-2019	73,911	-	19,103	54,808
2017-2018	65,485	-	13,521	51,964
2016-2017	52,119	-	8,966	43,153
2015-2016	35,860	-	5,865	29,995
2014-2015	28,827	-	4,405	24,422
2013-2014	51,010	-	51,010	-
	<u>\$ 1,146,137</u>	<u>\$ 27,367,532</u>	<u>\$ 27,289,331</u>	<u>1,224,338</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(710,907)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 513,431</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				<u>\$ 26,267,342</u>
Reconciling items:				
Interest and Penalty collected				(175,778)
Releases, adjustments, and fees				1,174,104
Taxes Written Off				<u>23,663</u>
Total reconciling items				<u>1,021,989</u>
Total collections and credits				<u>\$ 27,289,331</u>

Yadkin County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2024

				Total Levy	
	County - wide			Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy:					
Property taxed at current year's rate	\$ 4,229,184,877	\$ 0.65	\$ 26,391,479	\$ 23,397,683	\$ 2,993,796
Penalties	-		19,211	19,211	-
Total	<u>4,229,184,877</u>		<u>26,410,690</u>	<u>23,416,894</u>	<u>2,993,796</u>
Discoveries:					
Current year taxes	147,346,711	0.65	924,854	924,854	-
Prior year taxes	<u>6,792,978</u>	0.65	<u>44,834</u>	<u>44,834</u>	<u>-</u>
Total	<u>154,139,689</u>		<u>969,688</u>	<u>969,688</u>	<u>-</u>
Abateements:					
Current year taxes	(1,693,492)	0.65	(11,008)	(11,008)	-
Prior year taxes	<u>(528,050)</u>	0.65	<u>(1,838)</u>	<u>(1,838)</u>	<u>-</u>
Total	<u>(2,221,542)</u>		<u>(12,846)</u>	<u>(12,846)</u>	<u>-</u>
Total property valuation	<u>\$ 4,381,103,024</u>				
Net levy			27,367,532	24,373,736	2,993,796
Uncollected taxes at June 30, 2024			<u>524,251</u>	<u>524,251</u>	<u>-</u>
Current year's taxes collected			<u>\$ 26,843,281</u>	<u>\$ 23,849,485</u>	<u>\$ 2,993,796</u>
Current levy collection percentage			<u>98.08%</u>	<u>97.85%</u>	<u>100.00%</u>

Yadkin County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2024

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100.00%
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Real Property	\$ 3,061,843,414
Personal Property (includes late listing)	561,617,341
Motor Vehicles	453,605,455
Public Service Companies ²	135,544,870
Less Releases	(2,221,542)
Total Assessed Valuation	\$ 4,210,389,538

Tax Rate per \$100	\$ 0.65
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Levy (includes discoveries, late list penalties, releases and abatements)	\$ 27,367,532
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In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

Fire Protection Districts	\$ 2,039,443
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¹ Percentage of appraised value has been established by statute.

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

Yadkin County
Ten Largest Taxpayers
June 30, 2024

Taxpayer	Type of Business	2023 Assessed Valuation	Percentage of Total Assessed Valuation
Unifi Mfg Inc	Manufacturing	\$ 138,045,040	3.15%
Duke Energy Corp	Utility	98,464,294	2.25%
Lydall Inc	Manufacturing	57,263,054	1.31%
B&G Food Snacks Inc	Manufacturing	50,134,094	1.14%
Phillips Van Heusen Corp	Manufacturing	33,413,314	0.76%
Sugar Solar LLC	Utility	27,253,865	0.62%
Surry Yadkin EMC	Utility	15,855,938	0.36%
Salem Leasing Corp	Leasing	9,449,564	0.22%
Hennings Construction Co LLC	Construction	9,248,108	0.21%
FCA US LLC	Auto Leasing	8,142,296	0.19%
Total		<u>\$ 447,269,567</u>	<u>10.21%</u>

COMPLIANCE SECTION



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Independent Auditors' Report

To the Board of County Commissioners
Yadkin County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2024, 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 23, 2024. 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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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*.

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 23, 2024



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

Independent Auditors' Report

To the Board of County Commissioners
Yadkin County, North Carolina

Report on Compliance for Each Major Federal Program

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, 2024. 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, 2024.

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 [2024-001, 2024-002, 2024-003, 2024-004] 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 23, 2024



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

Independent Auditors' Report

To the Board of County Commissioners
Yadkin County, North Carolina

Report on Compliance for Each Major State Program

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, 2024. 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Yadkin County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Yadkin County's compliance with the compliance requirements referred to above.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

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 [2024-001, 2024-002, 2024-003, 2024-004, 2024-005] 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 23, 2024

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ 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>
93.778	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, 2024

Section I - Summary of Auditors' Results (continued)

Identification of major State programs:

Program Name

Medical Assistance Program
Stream Flow Rehabilitation Program
Regional Economic Development Reserve - Directed Grant
Regional Economic Development Reserve - Volunteer Fire Departments
Public School Building Capital Fund

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

Auditee qualified as low-risk auditee? X yes no

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

AL# 93.778

Finding: 2024-001

Inaccurate Information Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 7 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 401,179 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, 2023-002
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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

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.

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: 2024-002 Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

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 4 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 401,179 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, 2023-003.

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

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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: 2024-003 Inadequate Request for Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 4 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 401,179 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, 2023-004.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

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: 2024-004 Untimely Review of SSI Terminations

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under a SSI determination. The County has a certain time period to initiate an ex-parte review to determine whether the recipient qualifies for Medicaid under any other coverage group, such as Family and Children's Medicaid, North Carolina Health Choice for Children, Work First Family Assistance, or Medicaid for the Aged, Blind and Disabled.
Condition:	There were 1 applicants/beneficiaries not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.

Yadkin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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

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 401,179 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:	The County did not initiate ex-parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid 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:	Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an ex-parte review. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

Section IV - State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICENCY: Finding 2024-001, 2024-002, 2024-003, and 2024-004 also apply to State requirements and State Awards.

N.C. Office of State Budget and Management

Program Name: Regional Economic Development Reserve

Finding: 2024-005 Funds Management

SIGNIFICANT DEFICENCY

Cash Management

Criteria:	In accordance with North Carolina General Statute (G.S.) 143C-6-23 and the grant contract with North Carolina Office of State Budget and Management, the grant funds should be accounted for in a separate fund and accounting structure within the recipient's central accounting and/or grant management system.
Condition:	The grant funds were accounted for in County General Fund instead of a separate fund.
Effect:	Grant funds were not properly managed as required.
Cause:	Budget was adopted when the funds were awarded to the County before the grant contracts were signed.
Recommendation:	Account each source of fund separately in County accounting system.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

*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, 2024**

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

Finding: 2024-001

Name of contact person: Jessica Wall, Director

Corrective Action: YCHSA will initiate income calculation quizzes for staff following training to ensure understanding of training around this finding. YCHSA will continue second party at least 76 Medicaid cases per quarter and will do a targeted second party review of an additional 50 cases to verify appropriate income calculations and household members. YCHSA will implement a checklist to be used prior to eligibility decision for applications and recerts that would ensure that determinations in the case and correct outcomes. YCHSA will develop a shared training platform that will include powerpoint presentations and handouts around the areas of accurate information entry.

Proposed Completion Date: Calculation quizzes will be in use by November 30, 2024. Checklist will be developed and implemented by 11/18/24. YCHSA will complete an additional targeted review of at least 50 cases per quarter beginning with Quarter 2 of Fiscal Year 2025. YCHSA will develop shared training platform with the expectation that staff will have completed at least one module by 11/30/24.

Finding: 2024-002

Name of contact person: Jessica Wall, Director

Corrective Action: YCHSA will continue second party at least 76 Medicaid cases per quarter and will do a targeted second party review of an additional 15 cases to verify appropriate resource entry. YCHSA will implement a checklist to be used prior to eligibility decision for applications and recertifications that would ensure that appropriate resources have been entered and evaluated. YCHSA will develop a shared training platform that will include powerpoint presentations and handouts around the areas of accurate resource entry.

Proposed Completion Date: Checklist will be developed and implemented by 11/18/24. YCHSA will complete an additional targeted review of at least 15 cases per quarter beginning with Quarter 2 of Fiscal Year 2025. YCHSA will develop shared training platform with the expectation that staff will have completed at least one module by 11/30/24.

*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, 2024**

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

Finding: 2024-003

Name of contact person: Jessica Wall, Director

Corrective Action: YCHSA will continue second party at least 76 Medicaid cases per quarter and will do a targeted second party review of an additional 50 cases to verify that appropriate requests for information are made. YCHSA will implement a checklist to be used prior to eligibility decision for applications and recertifications that would ensure that appropriate information requests have been made and evaluated. YCHSA will develop a shared training platform that will include powerpoint presentations and handouts around the areas of information requests.

Proposed Completion Date: Checklist will be developed and implemented by 11/18/24. YCHSA will complete an additional targeted review of at least 50 cases per quarter beginning with Quarter 2 of Fiscal Year 2025. YCHSA will develop shared training platform with the expectation that staff will have completed at least one module by 11/30/24.

Finding: 2024-004

Name of contact person: Jessica Wall, Director

Corrective Action: Supervisors will provide staff with a report at least once per month that includes terminated SSI cases that require a full eligibility evaluation. Staff will return this report each month with their initials to indicate that they have initiated full evaluations. Training will be provided by 11/30/24.

Proposed Completion Date: Training will be provided by 11/30/24 and staff will received SSI Termination Report by 11/30/24.

Section IV - State Award Findings and Questioned Costs

Corrective actions for Finding 2024-001, 2024-002, 2024-003, and 2024-004 also apply to State award findings.

Finding: 2024-005

Name of contact person: Lindsey Cearlock

Corrective Action: To review all grant documentation carefully and ensure the County is compliant with all requirements.

Proposed Completion Date: Immediately.

217 E. Willow Street ~ Post Office Box 220 ~ Yadkinville, North Carolina 27055
(336) 849-7900 Office --- (336) 849-7920 Fax
www.yadkincountync.gov

Yadkin County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

Finding: 2023-001
Status: Corrected

Finidng: 2023-002
Status: Repeated as finding 2024-001

Finidng: 2023-003
Status: Repeated as finding 2024-002

Finidng: 2023-004
Status: Repeated as finding 2024-003

Finidng: 2023-005
Status: Corrected

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<u>FEDERAL AWARDS</u>					
<u>U.S. Department of Agriculture</u>					
Natural Resources Conservation Service					
Watershed Rehabilitation Program	10.916		\$ 19,440	\$ -	\$ -
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	217,233	-	-
Passed through N.C. Department of Health and Human Services					
Division of Social Services					
Administration:					
<u>SNAP Cluster</u>					
State Administrative Matching Grants					
for Supplemental Nutrition Assist. Program	10.561	175NC406S2514	243,122	-	-
Total U.S. Department of Agriculture			479,795	-	-
<u>U.S. Department of Justice</u>					
Passed-through the N.C. Department of Public Safety					
Edward Byrne Memorial Justice Assistance Grant Program	16.738		24,438	-	-
Total U.S. Department of Justice			24,438	-	-
<u>U.S. Department of Transportation</u>					
Passed-through the N.C. Department of Public Safety					
Hazardous Materials Emergency Preparedness	20.703		18,681		
Total U.S. Department of Transportation			18,681	-	-
<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		21,763	-	-
Maternal and Child Health Federal Consolidated Programs	93.110		2,000	-	-
Project Grants and Cooperative Agreements for Tuberculosis	93.116		49	-	-
Family Planning Services	93.217		36,500	-	-
Immunization Cooperation Agreements	93.268		13,164	-	-
COVID-19 Immunization Cooperation Agreements	93.268		12,599	-	-
Total Immunization Cooperation Agreements			25,763	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		252,300	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		572		
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		16,419	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		43,181	-	-
Preventive Health and Health Services Block Grant	93.991		19,378	-	-
Maternal and Child Health Services Block Grant	93.994		51,841	1,900	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
Division of Social Services					
TANF - Work First	93.558		267,231	-	-
Division of Public Health					
TANF - Work First	93.558		4,025	-	-
Total TANF Cluster			271,256	-	-
Foster Care and Adoption Cluster (Note 4 and 5)					
Foster Care - Title IV-E	93.658		200,484	17,473	-
Foster Care - Title IV-E - Benefit Payments	93.658		199,982	70,930	-
Adoption Assistance	93.659		31,932	-	-
Total Foster Care and Adoption Cluster			432,398	88,403	-
Child Support Enforcement	93.563	1704NC4005	238,707	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.566		11,684	-	-
Low-Income Home Energy Assistance					
Crisis Intervention Program	93.568		1,002	-	-
Weatherization Assistance and Heating and Air Repair	93.568		32,024	-	-
COVID - 19 Weatherization Assistance and Heating and Air Repair	93.568		5,229	-	-
Total Low-Income Home Energy Assistance			38,255	-	-
Stephanie Tubbs Jones Child Welfare Services Program					
Permanency Planning - Families for Kids	93.645	G1701NCCWSS	10,298	-	-
Total Stephanie Tubbs Jones Child Welfare Services Program					
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		3,064	766	-
Benefit Payments	93.674		360	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			3,424	766	-
Social Service Block Grant - Other Service and Training	93.667		142,834	-	-
Division of Social Services					
Social Services Block Grant					
State In Home Service Fund	93.667		37,891	-	-
State Adult Day Care	93.667		27,821	-	-
COVID-19 - State Adult Day Care	93.667		-	175	-
Total Social Service Block Grant			208,546	175	-
Division of Child Development and Early Education					
Subsidized Child Care					
Child Care Development Fund Cluster:					
Division of Social Services					
Childcare Development Mandatory and					
Match Fund - Administration	93.596	DSS 2017	79,944	-	-
Total Subsidized Child Care			79,944	-	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
Passed through Piedmont Triad Council of Governments Division of Aging and Adult Services Family Caregiver Support	93.052		17,053	1,137	-
<u>Aging Cluster:</u> Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044	NC007 (17)	44,687	2,629	-
ARPA - In-Home/ Supp Services	93.044		56,573	9,983	-
Special Programs for the Aging - Title III C Nutrition Services	93.045	NC007 (17)	167,616	9,860	-
ARPA - Congregate Meals	93.045		54,728	9,658	-
Nutrition Services Incentive Program	93.053	NC007 (17)	22,574	-	-
Total Aging Cluster			346,178	32,130	-
Medical Assistance Program (Note 5)	93.778	XIX-MAP17	820,021	84,013	-
State Children's Insurance Program - N.C. Health Choice (Note 5)	93.767	CHIP17	60,678	2,615	-
Total U.S. Department of Health and Human Services			3,008,208	211,139	-
<u>U.S. Department of Homeland Security</u> Passed through N.C. Department of Public Safety Division of Emergency Management: Emergency Management Performance Grants	97.042	RMDS 1500	39,698	-	-
Total U.S. Department of Homeland Security			39,698	-	-
Total Federal Awards			\$ 3,570,820	\$ 211,139	\$ -
<u>STATE AWARDS</u>					
<u>N.C. Department of Health and Human Services</u> Division of Public Health					
Food and Lodging Fees			\$ -	\$ 9,485	\$ -
DPH Aid-to-Counties			-	79,113	-
General Communicable Disease Control		1175 4510 00	-	11,307	-
Healthy Community Activities			-	3,747	-
High Risk Maternity Clinics			-	13,702	-
Child Health		1271 5745 00	-	6,035	-
HIV/STD State			-	20	-
School Nurse Funding Initiative		1332 5358 AV, 00	-	50,000	-
State Fiscal Recovery Funds			-	30,000	-
Family Planning - State		13A1 5735 00	-	8,575	-
Maternal Health (HMHC)		13A1 5740 00	-	6,868	-
Women's Health Service Fund		13A1 1306 FR	-	4,484	-
TB Control			-	1,642	-
Total Division of Public Health			-	224,978	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
Division of Social Services:					
Administration					
Smart Start			-	468	-
State Child Welfare - State Protective Services			-	18,315	-
Direct Benefit Payments					
State Foster Home			-	83,999	-
State Foster Home Fund (SFHF) Maximization			-	132,808	-
Foster Care at Risk Maximization			-	10,353	-
Extended Foster Care Maximization Non IV-E programs			-	70,474	-
Total Division of Social Services			-	316,417	-
Passed-Through the Piedmont Triad Regional Council					
Division of Aging and Adult Services:					
State Funds - Home Delivered Meals			-	18,726	-
State Funds - In-Home Services			-	71,551	-
State Funds - Senior Center General Purpose		NC007 (17)	-	33,279	-
Fan Heat Relief				265	
Total Division of Aging			-	123,821	-
Total N.C. Department of Health and Human Services			-	665,216	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs		RMDS 1240	-	129,877	-
JCPC - Community Program Services		RMDS 1230	-	145,786	-
Total Juvenile Crime Prevention Programs			-	275,663	-
Tier II Grant				7,442	
Emergency Management Capacity Building Competitive Grant		2394003	-	47,411	-
Total Agency N.C. Department of Public Safety			-	330,516	-
<u>N.C. Dept. of Administration</u>					
Division of Veteran Affairs					
Veterans Service		143B-1211C4	-	2,174	-
Total N.C. Department of Administration			-	2,174	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Spay Neuter Program		Reimbursement Program	-	13,100	-
ASCP - Cost Share		YADKIN17	-	35,887	-
NC DENR Matching Funds		40100296315SWC	-	3,600	-
Stream Flow Rehabilitation Program		22-080-4144	-	1,413,731	-
Total N.C. Department of Agriculture and Consumer Services			-	1,466,318	-
<u>N.C. Department of Transportation</u>					
ROAP Cluster					
ROAP - RGP		DOT-16CL 36228.22.11.1	-	81,684	-
ROAP - EDTAP		DOT-16CL 36220.10.11.1	-	69,109	-
ROAP - EMPLOYMENT		DOT-16CL 36236.11.10.1	-	732	-
Total ROAP Cluster			-	151,525	-
Total N.C. Department of Transportation			-	151,525	-

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<u>N.C. Department of Environmental Quality</u>					
Asset Inventory and Assessment Grants			-	99,374	-
Total N.C. Department of Environmental Quality			-	99,374	-
<u>N.C. Department of Information Technology</u>					
N.C. 911 Board					
2023 Portable Radio PSAP Grant				20,946	
Total N.C. Department of Information Technology			-	20,946	-
<u>N.C. Department of Commerce</u>					
Building Reuse Grant			-	400,732	-
Total N.C. Department of Commerce			-	400,732	-
<u>N.C. Office of State Budget and Management</u>					
Regional Economic Development Reserve - Directed Grant		20682	-	500,000	-
Regional Economic Development Reserve - Volunteer Fire Departments		20683	-	500,000	-
Regional Economic Development Reserve - Register of Deeds		2068RD	-	2,000	-
Total N.C. Department of Public Instruction			-	1,002,000	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds			-	450,000	450,000
Needs Based Lottery Fund			-	1,650,827	1,650,827
Repair and Renovation Lottery Fund			-	706,020	706,020
Total N.C. Department of Public Instruction			-	2,806,847	2,806,847
Total State Assistance			-	6,945,648	2,806,847
<u>Other Financial Assistance:</u>					
<u>NC Dept. of Justice</u>					
Opioid Settlement Fund (Note 6)			-	137,317	-
Total Assistance Federal and State Assistance			\$ 3,570,820	\$ 7,294,104	\$ 2,806,847

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, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Yadkin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Yadkin County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

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

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	\$ 8,074,685	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	516,393	-
Temporary Assistance for Needy Families	93.558	66,577	66,318
Adoption Assistance	93.659	727,368	179,302
Medical Assistance Program	93.778	63,771,233	25,498,570
Children's Health Insurance Program	93.767	268	79
Child Welfare Services Adoption	N/A	-	107,774
State / County Special Assistance program	N/A	-	124,240
Energy Assistance Private Grants	N/A	-	15,100

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.