

# YANCEY COUNTY, NORTH CAROLINA

## Financial Statements For the Fiscal Year Ending June 30, 2024



# YANCEY COUNTY, NORTH CAROLINA

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## **FINANCIAL SECTION**

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This section presents the basic financial statements and Required Supplementary Information (including Management's Discussion and Analysis), as well as the independent auditors' report. In addition, the financial section contains combining statements for non-major fund types, individual fund schedules and other supplemental information.

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## ***Independent Auditors' Report***

Board of Commissioners  
Yancey County, North Carolina

### ***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 Yancey County, North Carolina, as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Yancey County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Yancey County, North Carolina as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yancey 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain 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 responsive 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 the 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 Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, , and the Retiree Health Benefit Fund Schedules of the County's Proportionate Share of the Net OPEB Liability and County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Yancey County, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, and other schedules 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 February 10, 2025 on our consideration of Yancey 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 Yancey County's internal control over financial reporting and compliance.

*David Killian CPA Group, P.A.*

Asheville, North Carolina  
February 10, 2025

## YANCEY COUNTY, NORTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Yancey County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Yancey County for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### *Financial Highlights*

##### Government-wide level:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$15,337,348. Governmental activities accounted for \$7,364,505 and business-type activities accounted for \$7,972,843.
- The County's total net position decreased by \$4,409,157. Governmental activities had a decrease of \$4,712,075 due primarily to the timing of the reimbursements from several school renovation projects, as well as the counties match to those projects, and business-type activities accounted for an increase of \$302,918. The increase in business-type activities is the result of a transfer from the General Fund and principal forgiveness recognized as a capital grant during the fiscal year.
- Capital assets of the County increased overall by \$492,108 after depreciation. This net increase was due to the purchase of vehicles and equipment.
- The County's total governmental debt decreased by \$1,145,895. This decrease is due to the repayment of debt principal of \$1,560,319 offset with new borrowing of \$414,424.

##### Fund level:

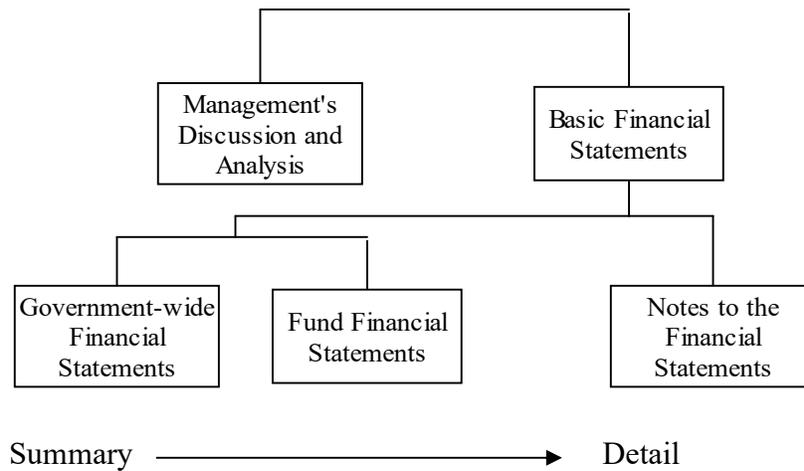
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$6,904,936, a decrease of \$5,083,972. This decrease is mainly due to the timing of the reimbursements from several funding sources for capital projects.
- At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$2,043,257, or 6.2 percent of total General Fund expenditures (net of debt proceeds and transfers out) for the fiscal year.

#### *Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to Yancey 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 Yancey 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 statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is the required supplemental information, which contains information about the County’s participation in pension plans and its retiree health insurance obligations. After the required supplemental information, supplemental information is provided to show details about the County’s nonmajor governmental funds and internal service fund, 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.

***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 two government-wide statements report the County’s net position and how it has changed. Net position is the difference between the County’s total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources. Measuring net position is one way to gauge the County’s financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the County’s basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide.

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

### ***Fund Financial Statements***

The fund financial statements provide a more detailed look at the County's most significant activities. 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. Yancey County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Yancey 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.

Yancey 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 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** - Yancey County has one kind of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Yancey County uses an enterprise fund, as required by State statute, to account for the construction of the East Yancey Water and Sewer Project. This fund is the same as the separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held in custodial funds for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. Yancey County has two 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.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Yancey County's progress in funding its obligation to provide pension benefits to its employees well as commitments to provide certain other post-employment benefits.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Yancey County exceeded its liabilities and deferred inflows of resources by \$15,337,348 as of June 30, 2024. The County's net position decreased by \$4,409,157 for the fiscal year ended June 30, 2024. The largest portion of net position, \$25,192,285, reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Yancey County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yancey 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 Yancey County's net position of \$6,715,730 represents resources that are subject to external restrictions on how they may be used. This leaves a deficit of \$16,570,667 in unrestricted net position. This deficit is primarily due to unfunded pension and OPEB liabilities, as well as installment obligations issued to construct Blue Ridge Elementary School. The County incurred debt to build the school, but will not have a corresponding asset since the school belongs to the Yancey County Board of Education. The following is a summary of the government-wide Statements of Net Position:

**Yancey County's Net Position**  
Figure 2

	<b>2024</b>			<b>2023</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>						
Current and other assets	\$ 19,782,741	\$ 846,467	\$ 20,629,208	\$ 21,524,365	\$ 22,027	\$ 21,546,392
Capital assets	19,762,657	8,709,422	28,472,079	19,472,568	8,507,403	27,979,971
Total assets	<u>39,545,398</u>	<u>9,555,889</u>	<u>49,101,287</u>	<u>40,996,933</u>	<u>8,529,430</u>	<u>49,526,363</u>
Deferred outflows of resources	<u>6,147,890</u>	-	<u>6,147,890</u>	<u>5,683,432</u>	-	<u>5,683,432</u>
<b>Liabilities:</b>						
Long-term liabilities	23,972,504	756,395	24,728,899	24,076,680	253,035	24,329,715
Other liabilities	<u>12,588,946</u>	<u>826,651</u>	<u>13,415,597</u>	<u>9,246,434</u>	<u>606,470</u>	<u>9,852,904</u>
Total liabilities	<u>36,561,450</u>	<u>1,583,046</u>	<u>38,144,496</u>	<u>33,323,114</u>	<u>859,505</u>	<u>34,182,619</u>
Deferred inflows of resources	<u>1,767,333</u>	-	<u>1,767,333</u>	<u>1,280,671</u>	-	<u>1,280,671</u>
<b>Net position:</b>						
Net investment in capital assets	17,239,258	7,953,027	25,192,285	16,739,166	8,254,368	24,993,534
Restricted	6,715,730	-	6,715,730	3,823,870	-	3,823,870
Unrestricted (deficit)	<u>(16,590,483)</u>	<u>19,816</u>	<u>(16,570,667)</u>	<u>(8,486,456)</u>	<u>(584,443)</u>	<u>(9,070,899)</u>
Total net position	<u>\$ 7,364,505</u>	<u>\$ 7,972,843</u>	<u>\$ 15,337,348</u>	<u>\$ 12,076,580</u>	<u>\$ 7,669,925</u>	<u>\$ 19,746,505</u>

Overall, total net position decreased \$4,409,157, due primarily to the timing of reimbursements for several capital projects. The following is a summary of the government-wide statement of activities:

### Yancey County Changes in Net Position

Figure 3

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 3,603,290	\$ -	\$ 3,603,290	\$ 3,472,740	\$ -	\$ 3,472,740
Operating grants and contributions	5,652,752	-	5,652,752	5,402,704	-	5,402,704
Capital grants and contributions	4,826,497	282,918	5,109,415	3,021,434	-	3,021,434
General revenues:						
Property taxes	16,230,308	-	16,230,308	16,026,230	-	16,026,230
Other taxes	7,201,428	-	7,201,428	7,169,547	-	7,169,547
Other	1,120,396	-	1,120,396	661,799	-	661,799
Total revenues	<u>38,634,671</u>	<u>282,918</u>	<u>38,917,589</u>	<u>35,754,454</u>	<u>-</u>	<u>35,754,454</u>
Expenses:						
General government	5,020,614	-	5,020,614	4,392,454	-	4,392,454
Public safety	11,322,207	-	11,322,207	10,581,949	-	10,581,949
Environmental protection	3,986,087	-	3,986,087	2,367,356	-	2,367,356
Economic and physical development	2,004,976	-	2,004,976	3,384,198	-	3,384,198
Human services	8,689,587	-	8,689,587	7,168,755	-	7,168,755
Culture and recreation	1,446,948	-	1,446,948	1,645,035	-	1,645,035
Education	10,520,514	-	10,520,514	4,709,183	-	4,709,183
Interest expense	335,813	-	335,813	355,274	-	355,274
Total expenses	<u>43,326,746</u>	<u>-</u>	<u>43,326,746</u>	<u>34,604,204</u>	<u>-</u>	<u>34,604,204</u>
Change in net position before transfers	(4,692,075)	282,918	(4,409,157)	1,150,250	-	1,150,250
Transfers	(20,000)	20,000	-	(50,000)	50,000	-
Change in net position	<u>(4,712,075)</u>	<u>302,918</u>	<u>(4,409,157)</u>	<u>1,100,250</u>	<u>50,000</u>	<u>1,150,250</u>
Net position, July 1	<u>12,076,580</u>	<u>7,669,925</u>	<u>19,746,505</u>	<u>10,976,330</u>	<u>7,619,925</u>	<u>18,596,255</u>
Net position, June 30	<u>\$ 7,364,505</u>	<u>\$ 7,972,843</u>	<u>\$ 15,337,348</u>	<u>\$ 12,076,580</u>	<u>\$ 7,669,925</u>	<u>\$ 19,746,505</u>

**Governmental Activities** - Governmental activities decreased the County's net position by \$4,712,075. This decrease is due primarily to the timing of reimbursements for several capital projects.

**Business-type Activities** - Net position increased by \$302,918. This increase was due to a transfer from the general fund and principal forgiveness recognized as a capital grant during the fiscal year.

### ***Financial Analysis of the County's Funds***

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

**Governmental Funds** - The focus of Yancey County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Yancey County's financing requirements. Specifically, unassigned fund balance 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 Yancey County. At the end of the current fiscal year, the General Fund had a fund balance of \$8,364,511 which is a decrease of \$1,715,899 from the prior year. The decrease is due primarily to the implementation of the final stage of the new pay study for county employees and an additional allocation to the final phase of the tax revaluation. In addition, the County had several large projects for maintenance and upkeep on County buildings. The portion of fund balance that is available for appropriation at the end of the current year is \$2,043,257.

**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 \$1,960,054, or 6 percent of the original budget. The increase in the final budgeted revenues is due to unanticipated grant revenues and higher than expected sales tax revenues.

**Capital Asset and Debt Administration**

**Capital Assets** - The County’s investment in capital assets net of depreciation increased \$1,770,020 from 2023. This increase is primarily due an increase in capital assets of governmental activities \$209,089, which relates to asset acquisitions of approximately \$1,590,000, netted against depreciation expense of approximately \$1,026,000. Key asset additions include vehicles and beginning construction of several projects.

Yancey County’s Capital Assets

(Net of Depreciation)  
Figure 4

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land and easements	\$ 2,966,239	\$ -	\$ 2,966,239	\$ 2,966,239	\$ -	\$ 2,966,239
Construction in progress	4,107,378	8,709,422	12,816,800	4,372,275	8,041,720	12,413,995
Buildings and improvements	10,529,369	-	10,529,369	10,178,406	-	10,178,406
Machinery and equipment	485,409	-	485,409	400,421	-	400,421
Vehicles and motorized equipment	1,674,262	-	1,674,262	1,555,227	-	1,555,227
Software	-	-	-	-	-	-
	<u>\$ 19,762,657</u>	<u>\$ 8,709,422</u>	<u>\$ 28,472,079</u>	<u>\$ 19,472,568</u>	<u>\$ 8,041,720</u>	<u>\$ 27,514,288</u>

**Long-Term Debt** - As of June 30, 2024, Yancey County had total debt (excluding compensated absences, the net pension obligation, and other post-employment benefits) outstanding of \$9,985,737. The year-over-year decrease of \$1,145,895 is due to scheduled loan repayments and new borrowing of \$414,424.

**Yancey County’s Outstanding Debt**  
Figure 5

	Governmental Activities	
	2024	2023
Direct placement installment obligations	<u>\$ 9,985,737</u>	<u>\$ 11,131,632</u>
	<u>\$ 9,985,737</u>	<u>\$ 11,131,632</u>

The State of North Carolina limits 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 remaining legal debt margin for Yancey County is approximately \$169 million.

**Budget Highlights for the Fiscal Year Ending June 30, 2025**

Property and sales tax are expected to account for the majority of the 2024-2025 budget. All Yancey County employees received a 3.8% cost of living increase along with the final stages of an updated salary study performed by the MAPPS Group. Since COVID, salaries in surrounding counties have spiked due to the demand for workers and Yancey served as a training ground for other counties that offered higher salaries. There are several projects underway for the 2024-2025 fiscal year which include: the completion of the Yancey County Transportation Authority Building, the beginning phases of the construction of the Public Safety Annex, the second phase of the Ray-Cort Park Renovations, and the completion of the East Yancey Water and Sewer Project. In September of 2024, Hurricane Helene devastated Yancey County and our citizens. Several county properties were lost in the flooding and most of the counties infrastructure was severely damaged. We are currently in the long-term recovery phase and progress is slowly taking shape. Yancey County is stronger than ever which is a reflection of our citizens.

**Economic Factors**

Economic conditions are still slowly improving in Yancey County due to the COVID pandemic. In September of 2024, Hurricane Helene impacted a huge part of the County's properties and has affected the overall tax base. The Tax office staff is in conversation with the North Carolina Department of Revenue about the steps needed to ensure the well-being of our citizens and county government.

**Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Yancey County, 110 Town Square, Room 11, Burnsville, NC 28714.

## YANCEY COUNTY, NORTH CAROLINA

## Statement of Net Position

June 30, 2024

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,284,496	\$ -	\$ 5,284,496
Restricted cash	6,597,619	-	6,597,619
Receivables, net	559,713	-	559,713
Due from other governments	5,689,793	846,467	6,536,260
Internal balances	825,560	(825,560)	-
Capital assets:			
Land and construction in progress	7,073,617	8,709,422	15,783,039
Other capital assets, net of depreciation	12,689,040	-	12,689,040
Capital assets, net	<u>19,762,657</u>	<u>8,709,422</u>	<u>28,472,079</u>
Total assets	<u>38,719,838</u>	<u>8,730,329</u>	<u>47,450,167</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>6,147,890</u>	<u>-</u>	<u>6,147,890</u>
<b>LIABILITIES</b>			
Bank overdraft	752,692	-	752,692
Accounts payable and accrued expenses	4,351,736	1,091	4,352,827
Accounts payable from restricted assets:			
Advances from grantors	6,440,604	-	6,440,604
Accrued interest payable	218,354	-	218,354
Long-term liabilities:			
Net pension liability - LGERS	7,485,148	-	7,485,148
Total pension liability - LEOSSA	1,413,858	-	1,413,858
Total OPEB liability	3,731,440	-	3,731,440
Due within one year	2,303,753	55,671	2,359,424
Due in more than one year	9,038,305	700,724	9,739,029
Total liabilities	<u>35,735,890</u>	<u>757,486</u>	<u>36,493,376</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,767,333</u>	<u>-</u>	<u>1,767,333</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,239,258	7,953,027	25,192,285
Restricted for:			
Stabilization by State statute	6,331,214	-	6,331,214
Public safety	228,808	-	228,808
Health service	44,814	-	44,814
Register of deeds	110,894	-	110,894
Unrestricted (deficit)	<u>(16,590,483)</u>	<u>19,816</u>	<u>(16,570,667)</u>
Total net position	<u>\$ 7,364,505</u>	<u>\$ 7,972,843</u>	<u>\$ 15,337,348</u>

The accompanying notes are an integral part of these financial statements

YANCEY COUNTY, NORTH CAROLINA

Statement of Activities  
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 5,020,614	\$ 557,297	\$ 38,251	\$ -	\$ (4,425,066)	\$ -	\$ (4,425,066)
Public safety	11,322,207	1,357,225	525,218	231,444	(9,208,320)	-	(9,208,320)
Environmental protection	3,986,087	681,983	317,474	-	(2,986,630)	-	(2,986,630)
Economic and physical development	2,004,976	151,377	-	-	(1,853,599)	-	(1,853,599)
Human services	8,689,587	319,699	4,454,474	1,557,897	(2,357,517)	-	(2,357,517)
Cultural and recreational	1,446,948	535,709	317,335	293,678	(300,226)	-	(300,226)
Education	10,520,514	-	-	2,743,478	(7,777,036)	-	(7,777,036)
Interest on long-term debt	335,813	-	-	-	(335,813)	-	(335,813)
Total governmental activities	<u>43,326,746</u>	<u>3,603,290</u>	<u>5,652,752</u>	<u>4,826,497</u>	<u>(29,244,207)</u>	<u>-</u>	<u>(29,244,207)</u>
<b>Business-type activities:</b>							
East Yancey Water and Sewer	-	-	-	282,918	-	282,918	282,918
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,918</u>	<u>-</u>	<u>282,918</u>	<u>282,918</u>
Total government-wide	<u>\$ 43,326,746</u>	<u>\$ 3,603,290</u>	<u>\$ 5,652,752</u>	<u>\$ 5,109,415</u>	<u>(29,244,207)</u>	<u>282,918</u>	<u>(28,961,289)</u>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purpose					16,230,308	-	16,230,308
Local option sales tax					6,550,009	-	6,550,009
Other taxes					651,419	-	651,419
Investment earnings, unrestricted					849,966	-	849,966
Gain on sale of fixed assets					12,235	-	12,235
Miscellaneous, unrestricted					258,195	-	258,195
Total general revenues excluding transfers					<u>24,552,132</u>	<u>-</u>	<u>24,552,132</u>
Transfers					<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
Total general revenues and transfers					<u>24,532,132</u>	<u>20,000</u>	<u>24,552,132</u>
Changes in net position					(4,712,075)	302,918	(4,409,157)
Net position, beginning					<u>12,076,580</u>	<u>7,669,925</u>	<u>19,746,505</u>
Net position, end of year					<u>\$ 7,364,505</u>	<u>\$ 7,972,843</u>	<u>\$ 15,337,348</u>

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

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

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Community Projects Fund</b>	<b>School Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash and investments	\$ 4,129,802	\$ 872,416	\$ -	\$ -	\$ 282,278	\$ 5,284,496
Restricted cash and investments	402,673	3,038,102	1,902,692	-	1,254,152	6,597,619
Receivables, net	480,814	-	-	-	26,899	507,713
Due from other governments	2,746,651	1,160,213	-	1,761,150	21,779	5,689,793
Due from other funds	3,485,198	-	-	-	-	3,485,198
Total assets	<u>\$ 11,245,138</u>	<u>\$ 5,070,731</u>	<u>\$ 1,902,692</u>	<u>\$ 1,761,150</u>	<u>\$ 1,585,108</u>	<u>\$ 21,564,819</u>
<b>Liabilities</b>						
Bank overdraft	\$ 752,692	\$ -	\$ -	\$ -	\$ -	\$ 752,692
Accounts payable and accrued expenses	1,409,149	461,361	169,819	2,244,811	66,596	4,351,736
Payable from restricted assets:						
Advances from grantors	290,472	3,038,102	1,902,692	-	1,209,338	6,440,604
Due to general fund	-	-	656,395	2,003,243	-	2,659,638
Total liabilities	<u>2,452,313</u>	<u>3,499,463</u>	<u>2,728,906</u>	<u>4,248,054</u>	<u>1,275,934</u>	<u>14,204,670</u>
<b>Deferred inflows of resources</b>	<u>428,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,899</u>	<u>455,213</u>
<b>Fund balances</b>						
Restricted:						
Stabilization by State statute	6,321,254	-	-	-	9,960	6,331,214
Public safety	1,307	-	-	-	227,501	228,808
Register of deeds	110,894	-	-	-	-	110,894
Human services	-	-	-	-	44,814	44,814
Capital projects	-	1,571,268	-	-	-	1,571,268
Unassigned (deficit)	<u>1,931,056</u>	<u>-</u>	<u>(826,214)</u>	<u>(2,486,904)</u>	<u>-</u>	<u>(1,382,062)</u>
Total fund balances	<u>8,364,511</u>	<u>1,571,268</u>	<u>(826,214)</u>	<u>(2,486,904)</u>	<u>282,275</u>	<u>6,904,936</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,245,138</u>	<u>\$ 5,070,731</u>	<u>\$ 1,902,692</u>	<u>\$ 1,761,150</u>	<u>\$ 1,585,108</u>	<u>\$ 21,564,819</u>

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

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

Total fund balances for governmental funds	\$ 6,904,936
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Original cost and/or donated value	33,277,049
Less accumulated depreciation	(13,514,392)
Deferred outflows of resources are not available to satisfy current obligations in the fund statements; however, they are considered a consumption of net position that applies to a future period and are included in the statement of net position:	
Contributions to pension plans in the current fiscal year	1,418,589
Benefit payments for OPEB subsequent to year end	150,042
Pension-related deferrals	3,873,593
OPEB-related deferrals	705,666
Accrued interest receivable is not available to pay current-period expenditures and therefore not recognized as revenue in the fund statements.	52,000
Net pension liability - LGERS	(7,485,148)
Total pension liability - LEOSSA	(1,413,858)
Total OPEB liability	(3,731,440)
Deferred inflows of resources are not available to satisfy current obligations in the fund statements; however, they are considered economic resources and recognized as revenue in the government-wide statements.	
Pension deferrals	(177,619)
OPEB related deferrals	(1,526,539)
Ad valorem taxes (net)	392,038
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Installment purchase contracts and capital lease obligations	(9,985,737)
Compensated absences	(711,793)
Landfill post-closure liability	(644,528)
Accrued interest payable	(218,354)
Net position of governmental activities	<u>\$ 7,364,505</u>

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
For the year ended June 30, 2024

	General Fund	Capital Projects Fund	Community Projects Fund	School Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Ad valorem taxes	\$ 14,924,570	\$ -	\$ -	\$ -	\$ 1,335,043	\$ 16,259,613
Local option sales taxes	6,550,009	-	-	-	-	6,550,009
Other taxes	574,113	-	-	-	-	574,113
Unrestricted intergovernmental	77,306	-	-	-	-	77,306
Restricted intergovernmental	4,553,957	2,223,331	-	2,743,478	349,361	9,870,127
Licenses and permits	412,385	-	-	-	-	412,385
Sales and services	3,190,905	-	-	-	-	3,190,905
Investment earnings	591,764	258,202	-	-	-	849,966
Miscellaneous	192,344	-	267,589	-	341,534	801,467
Total revenues	<u>31,067,353</u>	<u>2,481,533</u>	<u>267,589</u>	<u>2,743,478</u>	<u>2,025,938</u>	<u>38,585,891</u>
<b>Expenditures</b>						
Current:						
General government	4,871,408	-	-	-	-	4,871,408
Public safety	9,266,604	231,444	-	-	1,701,363	11,199,411
Environmental protection	2,670,795	-	-	-	-	2,670,795
Economic and physical development	624,834	6,298	1,093,803	-	-	1,724,935
Human services	7,847,678	1,488,039	-	-	500,154	9,835,871
Cultural and recreational	854,740	534,997	-	-	-	1,389,737
Intergovernmental:						
Education	4,775,353	-	-	5,745,161	-	10,520,514
Debt service:						
Principal	1,560,319	-	-	-	-	1,560,319
Interest and fees	338,685	-	-	-	-	338,685
Total expenditures	<u>32,810,416</u>	<u>2,260,778</u>	<u>1,093,803</u>	<u>5,745,161</u>	<u>2,201,517</u>	<u>44,111,675</u>
Revenues under expenditures	<u>(1,743,063)</u>	<u>220,755</u>	<u>(826,214)</u>	<u>(3,001,683)</u>	<u>(175,579)</u>	<u>(5,525,784)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers from other funds	-	-	-	394,648	20,000	414,648
Installment obligations issued	414,424	-	-	-	-	414,424
Proceeds from the sale of assets	21,538	-	-	-	-	21,538
Proceeds from insurance	25,850	-	-	-	-	25,850
Transfers to other funds	(434,648)	-	-	-	-	(434,648)
Total other financing sources (uses)	<u>27,164</u>	<u>-</u>	<u>-</u>	<u>394,648</u>	<u>20,000</u>	<u>441,812</u>
Net changes in fund balances	<u>(1,715,899)</u>	<u>220,755</u>	<u>(826,214)</u>	<u>(2,607,035)</u>	<u>(155,579)</u>	<u>(5,083,972)</u>
Fund balance, beginning, as originally reported	10,080,410	1,350,513	-	-	557,985	11,988,908
Adjustment (Note 9)	-	-	-	120,131	(120,131)	-
Fund balance, beginning, as adjusted	<u>10,080,410</u>	<u>1,350,513</u>	<u>-</u>	<u>120,131</u>	<u>437,854</u>	<u>11,988,908</u>
Fund balance (deficit), end of year	<u>\$ 8,364,511</u>	<u>\$ 1,571,268</u>	<u>\$ (826,214)</u>	<u>\$ (2,486,904)</u>	<u>\$ 282,275</u>	<u>\$ 6,904,936</u>

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*

For the year ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (5,083,972)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense with any residual book value expensed if the asset is disposed:</p>	
Capital outlay expenditures capitalized during the year;	1,285,567
Depreciation expense recorded during the current year; and	(1,026,175)
Net book value of capital assets disposed during the current year	(9,303)
The issuance of long-term debt provides current financial resources to governmental funds but is recorded as an increase to long-term debt in the Statement of Net Position	(414,424)
Principal payments on long-term debt are recorded as expenditures in the fund statements, but are recorded as a reduction of long-term debt in the Statement of Net Position	1,560,319
Contributions to pension plans in the current fiscal year are not included on the Statement of Activities	1,418,589
OPEB benefit payments and admin costs made in the current fiscal year are not included on the Statement of Activities	150,042
<p>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:</p>	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	2,872
Change in compensated absences	(79,937)
Change in landfill post-closure liability	63,577
Pension expense (LGERS)	(2,314,823)
Pension expense (LEOSSA)	(108,142)
OPEB plan expense	(166,959)
<p>Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements:</p>	
Income from donated assets	40,000
Net change in accrued interest receivable on property taxes; and	(6,000)
Net change in taxes receivable	(23,306)
Change in net position - governmental activities	\$ (4,712,075)

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

*Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual*  
*General Fund*  
 For the year ended June 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>Revenues</b>				
Ad valorem taxes	\$ 14,776,124	\$ 14,876,124	\$ 14,924,570	\$ 48,446
Local option sales taxes	6,357,529	6,602,085	6,550,009	(52,076)
Other taxes	773,930	1,284,334	574,113	(710,221)
Unrestricted intergovernmental	107,000	110,000	77,306	(32,694)
Restricted intergovernmental	5,025,686	5,395,403	4,553,957	(841,446)
Licenses and permits	509,200	539,200	412,385	(126,815)
Sales and services	3,372,085	3,725,462	3,190,905	(534,557)
Investment earnings	305,200	605,200	591,764	(13,436)
Miscellaneous	118,408	167,408	192,344	24,936
Total revenues	<u>31,345,162</u>	<u>33,305,216</u>	<u>31,067,353</u>	<u>(2,237,863)</u>
<b>Expenditures</b>				
Current:				
General government	4,077,872	4,579,666	4,548,840	30,826
Public safety	8,830,582	9,288,765	9,266,604	22,161
Environmental protection	2,478,689	2,726,352	2,670,795	55,557
Economic and physical development	734,325	745,506	624,834	120,672
Human services	8,359,992	8,592,466	7,847,678	744,788
Cultural and recreational	761,855	861,102	854,740	6,362
Intergovernmental:				
Education	4,708,645	4,775,353	4,775,353	-
Debt service:				
Principal retirement	992,181	1,560,319	1,560,319	-
Interest and other charges	266,021	296,739	338,685	(41,946)
Total expenditures	<u>31,210,162</u>	<u>33,426,268</u>	<u>32,487,848</u>	<u>938,420</u>
Revenues over (under) expenditures	<u>135,000</u>	<u>(121,052)</u>	<u>(1,420,495)</u>	<u>(1,299,443)</u>
<b>Other Financing Sources (Uses)</b>				
Installment obligations issued	-	634,162	414,424	(219,738)
Sale of capital assets	5,000	21,538	21,538	-
Proceeds from insurance	-	-	25,850	25,850
Appropriated fund balance	-	1,774,402	-	(1,774,402)
Transfers to other funds	(140,000)	(2,309,050)	(534,648)	1,774,402
Total other financing sources (uses)	<u>(135,000)</u>	<u>121,052</u>	<u>(72,836)</u>	<u>(193,888)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,493,331)</u>	<u>\$ (1,493,331)</u>
Fund balance, beginning of year - General Fund			<u>9,975,819</u>	
Fund balance, end of year - General Fund			8,482,488	
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Revaluation expenses			(322,568)	
Transfer from the general fund			100,000	
Fund balance, beginning of year - Revaluation Fund			<u>104,591</u>	
Fund balance, end of year - Combined General Fund			<u>\$ 8,364,511</u>	

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

*Statement of Net Position*  
*Proprietary Fund*  
 June 30, 2024

	<b>East Yancey Water and Sewer Fund</b>
<b>Assets</b>	
Current assets:	
Due from other governments	\$ 846,467
Non-current assets:	
Capital assets:	
Construction in progress	8,709,422
Total assets	9,555,889
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,091
Due to general fund	825,560
Current portion of long-term debt	55,671
Total current liabilities	882,322
Noncurrent liabilities:	
Long-term debt	700,724
Total liabilities	1,583,046
<b>Net Position</b>	
Net investment in capital assets	7,953,027
Unrestricted (deficit)	19,816
Total net position	\$ 7,972,843

The accompanying notes are an integral part of these financial statements

YANCEY COUNTY, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the year ended June 30, 2024

Table with 2 columns: Description and East Yancey Water and Sewer Fund. Rows include Operating Revenues (Charges for service), Operating Expenses (Operations), Income before transfers, Capital contributions, Transfers from other funds, Change in net position, Net position beginning of year, and Net position end of year.

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

*Statement of Cash Flows*  
*Proprietary Fund*  
 For the year ended June 30, 2024

		<b>East Yancey Water and Sewer Fund</b>
<b>Cash flows from capital and related financing activities:</b>		
Transfers from other funds	\$	20,000
Advance from general fund		219,090
Principal payments on loan		(38,161)
Acquisition and construction of capital assets		(200,929)
		-
Net cash used by capital and related financing activities		-
Net increase in cash and cash equivalents		-
<b>Cash and cash equivalents:</b>		
Beginning of year		-
End of year	\$	-
<b>Supplemental cash flow information:</b>		
Loan proceeds recorded as accounts receivable at year-end	\$	824,440
Unpaid construction invoices at year-end	\$	1,091
Loan forgiveness reported as capital contributions	\$	282,918

The accompanying notes are an integral part of these financial statements

YANCEY COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Position  
June 30, 2024

	<u>Custodial Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 46,626
Due from other governments	<u>9,275</u>
Total assets	<u>55,901</u>
<b>Liabilities</b>	
Due to the Town of Burnsville	<u>41,645</u>
<b>Net Position</b>	
Restricted for	
Individuals and other governments	<u>14,256</u>
Total net position	<u>\$ 14,256</u>

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

*Statement of Changes in Fiduciary Net Position*  
For the year ending June 30, 2024

	<u>Custodial Funds</u>
<b>Additions</b>	
Ad valorem taxes for other governments	\$ 92,842
Collections on behalf of inmates	<u>55,950</u>
Total additions	<u>148,792</u>
<b>Deductions</b>	
Tax distributions to other governments	92,842
Payments on behalf of inmates	<u>54,464</u>
Total deductions	<u>147,306</u>
Net increase in fiduciary net position	<u>1,486</u>
Net position, beginning	<u>12,770</u>
Net position, end of year	<u>\$ 14,256</u>

The accompanying notes are an integral part of these financial statements

## YANCEY COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

#### Note 1 – Summary of Significant Accounting Policies

The accounting policies of Yancey County (the “County”) 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 accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. Included within the reporting entity are the following blended component units:

##### **1. Yancey County Industrial Facility and Pollution Control Financing Authority (the “Authority”)**

The Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

##### **2. East Yancey Water and Sewer District ( the “District”)**

The District was established by the Yancey County Board of Commissioners (the “Board”) for the purpose of constructing a sewer system in East Yancey County. The District’s governing board is the same as the County’s governing board. The Board adopts a budget to be used by the District and approves amendments to the approved budget. The District, which has a June 30 year-end, is reported as an enterprise fund of the County in accordance with G.S. 159-26(b)(4). It does not issue separate financial statements.

##### **(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 County’s net position. 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.

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 funds are aggregated and reported as nonmajor 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 and investment earnings, result from non-exchange transactions or 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. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

*Capital Projects Fund.* This fund accounts for various capital projects that were in process during the year.

*Community Projects Fund.* This fund accounts for various community projects that were in process during the year such as the housing and infrastructure study and water and sewer infrastructure construction being funded by the Dogwood Health Trust and multiple NCDEQ grants.

*Schools Capital Projects Fund.* This fund accounts for various capital projects at schools that were in process during the year.

The County reports the following major enterprise funds:

*East Yancey Water and Sewer Fund.* This fund accounts for the construction of a water and sewer system in East Yancey County, as well as the user fees and maintenance expenses associated with its operation when the system is completed and placed in service.

The County also reports the following fund types:

*Special Revenue Funds.* Special revenue funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains five non-major special revenue funds: the Fire District Fund, the Emergency Telephone System Fund, the Grants Fund, Opioid Settlement Fund, and the Representative Payee Fund.

*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 Collections Fund, which accounts for vehicle property taxes that are collected by the County for the Town of Burnsville but that are not revenues to the County and the Inmate Commissary Fund, which holds cash collections for the benefit of inmates from their friends and families.

### **(C) Measurement Focus, Basis of Accounting**

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. The custodial funds have no measurement focus. The government-wide and proprietary 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 non-operating 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 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 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 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 assets 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.

**(D) 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, the Revaluation Fund, and all special revenue funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the East Yancey Water and Sewer Enterprise Capital Project Fund, the Community Projects Fund, the Opioid Settlement Fund, the Capital Projects Fund, and the School Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change department appropriations by more than \$10,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing body must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**(E) Assets, Liabilities, and Fund Equity**

**(1) Deposits and Investments**

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

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

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

**(2) Cash and Cash Equivalents**

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

**(3) Restricted Assets**

Money in the Revaluation Fund is classified as restricted assets because its use is restricted by North Carolina General Statute 153A-150. Sheriff and register of deeds money and advances from grantors in the general fund are classified as restricted assets because their use is completely restricted by external parties. Unexpended grant proceeds in the general fund, capital projects fund, grants fund, and community projects fund are classified as restricted assets because their use is completely restricted to the purpose for which the grant was awarded. Unexpended Opioid Settlement funds are classified as restricted assets because their use is restricted per the terms of the Opioid Settlement agreement.

**(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 which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**(5) Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**(6) Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. The County follows a capitalization threshold of \$5,000 for all assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the County, excluding land and construction in progress, are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Other Improvements	10-25
Equipment and Vehicles	3-10
Computer Software	5

**(7) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The County has three items that meet this criterion: pension and OPEB related deferrals, contributions made to the pension plan in the current fiscal year, benefit payments and administrative costs paid for retiree health benefits in the current fiscal year.

In addition to liabilities, the statement of net position and balance sheet can also report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance 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, ad valorem taxes receivable, solid waste fees receivable, various cash receipts not recognized as revenue until the earning process is complete, and pension and OPEB related deferrals.

**(8) Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

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

**(9) Compensated Absences**

The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Compensated absences are liquidated in the General Fund and are accounted for on the first in, first out ("FIFO") basis, assuming that employees are taking leave time as it is earned.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

**(10) Opioid Settlement Funds**

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

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

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

As of June 30, 2024 the County has \$1,209,338 in settlement funds on hand. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. As of June 30, 2024, \$32,077 in Opioid Settlement funds have been expended. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

**(11) Net Position**

Net position in government-wide and proprietary fund financial statements is 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.

**(12) Fund Balances**

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

The governmental fund types classify fund balances as follows:

*Nonspendable Fund Balance* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain expenditures in the Sheriff's Department, operation and maintenance of County's emergency telephone system, or for fire protection in the County.

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

Restricted for Human Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

Restricted for Capital Projects – portion of fund balance that represents the unexpended portion of grant funding awarded to the County for certain capital projects.

*Committed Fund Balance* – The classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of the County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation.

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

The County does not have a formal revenue spending policy. However, it is the County's practice to use resources in the following hierarchy: Installment loan proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

The County has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the County in such a matter that the fund balance available for appropriation is at least equal to 16 percent of the General Fund operating budget. Any portion of the fund balance in excess of 16 percent of the General Fund operating budget may be appropriated by the County Commissioners through an amendment to the subsequent year's budget ordinance.

**(13) Defined Benefit Pension Plans**

The County participates in a cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State; the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LGERS and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. 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 plan. Investments are reported at fair value.

**Note 2 – Stewardship, Compliance and Accountability**Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2024, expenditures exceeded the authorized appropriations made by the governing board in several areas:

- General fund – Transportation capital - \$162,004
- General fund – Debt service - \$41,946
- Tax revaluation fund - \$222,568
- Sheriff's Asset Forfeiture Fund - \$75,289
- Capital Projects Fund – Watershed Restoration Project - \$44,087
- Community Projects Fund – Housing Study and Infrastructure Analysis - \$169,058
- East Yancey Water and Sewer District – Debt service and bank charges - \$120,689
- East Yancey Water and Sewer District – Infrastructure Project - \$8,012

Management will more closely track the project to date expenditures of multi-year projects, review budget to actual reports, and review open purchase order lists in future years to ensure that these budget overages do not occur in the future.

Deficit Fund Balance of Individual Funds

At June 30, 2024, the School Capital Projects Fund and the Community Projects Fund had deficit fund balances of \$2,486,904 and \$826,214 as a result of a timing issue between the expenditure and reimbursement of certain grant-funded expenditures. Management expects the deficits to be resolved in the coming fiscal year once the anticipated grant funding is received.

At June 30, 2024, the Tax Revaluation Fund had a deficit fund balance of \$117,977 as a result of higher than expected expenditures in FY24. Management expects this deficit to be resolved in FY25 via transfers from the General Fund.

**Note 3 – Detail Notes on All Funds****(A) Assets****(1) Deposits**

All of the County's deposits are either insured or collateralized by using 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 their agents 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 under-collateralization; 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 collateralizes public deposits under the pooling method. The County does not have policies regarding custodial credit risk.

At June 30, 2024, the County's deposits had a carrying amount of \$(752,692), which has been presented as a bank overdraft liability, and a bank balance of \$316,837. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remainder was covered by collateral held under the pooling method. The County also had petty cash on hand at June 30, 2024 of \$917.

**(2) Investments**

At June 30, 2024, the County’s investments consisted of \$11,927,824 in the North Carolina Capital Management Trust’s Government Portfolio, which carried a credit rating of AAAM by Standard and Poor’s and AAAMf by Moody’s Investor Service. The portfolio has no maturity value and is valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*Interest Rate Risk.* The County does not have a formal investment policy but as a matter of practice invests only in short term investment instruments.

*Credit Risk.* The County’s investments in the NC Capital Management Trust’s Government Portfolio carried a credit rating of AAAM by Standard & Poor’s and AAAMf by Moody’s Investor Service as of June 30, 2024. The County has no policy on credit risk. These amounts are included within cash on the statement of net position.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no policy on custodial credit risk.

Reconciliation of Cash and Cash Equivalents:

A reconciliation of cash and cash equivalents as shown in the government-wide statement of net position is as follows:

Reported value of deposits	\$ (752,692)
Petty cash	917
Fair value of investments	11,927,824
	<u>\$ 11,176,049</u>
Statement of Net Position	
Cash and cash equivalents	\$ 5,284,496
Cash and cash equivalents, restricted	6,597,619
Bank overdraft liability	(752,692)
	11,129,423
Statement of Fiduciary Net Position	
Cash and cash equivalents, restricted	46,626
	<u>\$ 11,176,049</u>

**(3) Receivables**

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

	<u>Governmental Funds</u>			Governmental Activities	Business- Type Activities
	<u>General</u>	<u>Other</u>	<u>Accrual Adjustment</u>		
Receivables:					
Accounts	\$ 115,675	\$ -	\$ -	\$ 115,675	\$ -
Ad valorem taxes	495,139	42,899	-	538,038	-
Due from other governments	2,746,651	2,943,142	-	5,689,793	846,467
Interest on taxes	-	-	52,000	52,000	-
Less: allowance - ad valorem	<u>(130,000)</u>	<u>(16,000)</u>	<u>-</u>	<u>(146,000)</u>	<u>-</u>
Total receivables (net)	<u>\$ 3,227,465</u>	<u>\$ 2,970,041</u>	<u>\$ 52,000</u>	<u>\$ 6,249,506</u>	<u>\$ 846,467</u>

Due from other governments that is owed to the County consists of the following:

<u>Governmental Activities</u>	
Local option sales tax	\$ 1,694,879
Sales tax refunds	217,669
DSS administrative reimbursements	172,090
Motor vehicle taxes	140,684
DOT reimbursement	1,087,898
Lottery fund reimbursements	1,761,150
Other	<u>615,423</u>
Total	<u>\$ 5,689,793</u>
<u>Business-Type Activities</u>	
DEQ loan proceeds	<u>\$ 846,467</u>

**(4) Capital Assets**

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,966,239	\$ -	\$ -	\$ 2,966,239
Construction in progress	4,372,275	2,081,801	2,346,698	4,107,378
Total capital assets not being depreciated	<u>7,338,514</u>	<u>2,081,801</u>	<u>2,346,698</u>	<u>7,073,617</u>
Capital assets being depreciated:				
Land improvements	2,303,052	-	-	2,303,052
Buildings and improvements	16,233,078	807,570	-	17,040,648
Equipment	1,566,220	186,992	-	1,753,212
Computer software	412,985	-	-	412,985
Vehicles and motor equipment	4,231,928	595,902	134,295	4,693,535
Total capital assets being depreciated	<u>24,747,263</u>	<u>1,590,464</u>	<u>134,295</u>	<u>26,203,432</u>
Less accumulated depreciation for:				
Land improvements	1,324,696	181,122	-	1,505,818
Buildings and improvements	7,033,028	275,485	-	7,308,513
Equipment	1,165,799	102,004	-	1,267,803
Computer software	412,985	-	-	412,985
Vehicles and motor equipment	2,676,701	467,564	124,992	3,019,273
Total accumulated depreciation	<u>12,613,209</u>	<u>1,026,175</u>	<u>124,992</u>	<u>13,514,392</u>
Capital assets being depreciated, net	<u>12,134,054</u>			<u>12,689,040</u>
Governmental activities capital assets, net	<u>\$ 19,472,568</u>			<u>\$ 19,762,657</u>

Depreciation was charged to expense as follows:

General government	\$ 50,519
Public safety	474,028
Environmental protection	46,430
Economic and physical development	2,472
Human services	188,159
Cultural and recreational	264,567
Total depreciation expenses	<u>\$ 1,026,175</u>

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 8,507,403	\$ 202,019	\$ -	\$ 8,709,422

**(5) Commitments**

The County had the following construction commitments at June 30, 2024:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Balance</u>
Transportation Building	\$ 1,201,840	\$ 1,238,960
East Yancey and South Toe Middle School	2,795,364	3,167,309
Burnsville Elementary	986,637	13,637,920
Cane River Middle School	232,935	4,286,966
Total	<u>\$ 5,216,776</u>	<u>\$ 22,331,155</u>

**(B) Liabilities**

**(1) Payables**

Payables at the fund and government-wide level at June 30, 2024, were as follows:

	<u>Governmental Funds</u>			<u>Governmental Activities</u>	<u>Business- Type Activities</u>
	<u>General</u>	<u>Other</u>	<u>Accrual Adjustment</u>		
Accounts payable	\$ 1,016,159	\$ 2,942,587	\$ -	\$ 3,958,746	\$ 1,091
Accrued wages	392,992	-	-	392,992	-
Accrued interest	-	-	218,354	218,354	-
Total accounts payable and accrued expenses	<u>\$ 1,409,151</u>	<u>\$ 2,942,587</u>	<u>\$ 218,354</u>	<u>\$ 4,570,092</u>	<u>\$ 1,091</u>

**(2) Pension Plan Obligations**

*Local Governmental Employees' Retirement System*

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement

System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023, was 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 \$1,381,002 for the year ended June 30, 2024.

*Refunds of Contributions.* County employees that 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 \$7,485,148 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 the June 30, 2023 measurement date, the County's proportion was .11302%, which was an increase of .00549% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$2,314,823. 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	\$ 834,067	\$ 17,956
Changes of assumptions	318,076	-
Net difference between projected and actual earnings on pension plan investments	2,003,353	-
Changes in proportion and difference between County contributions and proportionate share of contributions	212,984	10,204
County contributions subsequent to the measurement date	1,381,002	-
	<u>\$ 4,749,482</u>	<u>\$ 28,160</u>

\$1,381,002 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease 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	\$ 1,282,738
2026	603,849
2027	1,369,021
2028	84,712
Thereafter	-
	<u>\$ 3,340,320</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 percent to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy 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 valuation were based on the results of an actuarial experience study 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
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County's proportionate share of the net pension liability (asset)	\$ 12,967,725	\$ 7,485,148	\$ 2,971,377
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*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:* The 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 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 law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2022 (valuation date), the Separation Allowance’s membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>30</u>
Total	<u><u>33</u></u>

*Summary of Significant Accounting Policies:*

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds 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 following criteria, which are outlined in GASB Statement 73.

*Actuarial Assumptions.* The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2020.

*Contributions.* The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. 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. There were no benefit payments made during 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 \$1,413,858. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$108,142.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 369,724	\$ 5,396
Changes of assumptions	135,389	144,063
County benefit payments made subsequent to the measurement date	37,587	-
	<u>\$ 542,700</u>	<u>\$ 149,459</u>

The County paid \$37,587 in benefit payments and administrative expenses subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which 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	\$ 95,694
2026	97,474
2027	84,245
2028	41,917
2029	36,324
	<u>\$ 355,654</u>

*Sensitivity of the County’s total pension liability to changes in the discount rate.* The following presents the County’s total pension liability calculated using the discount rate of 4.00 percent, as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 1,518,652	\$ 1,413,858	\$ 1,318,067

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

Beginning balance	\$ 1,174,720
Service cost	42,330
Interest on the total pension liability	49,140
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	187,960
Change of assumption or other inputs	28,864
Benefit payments	(69,156)
Other changes	-
Net pension obligation, end of year	<u>\$ 1,413,858</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflects a change in the discount rate from 4.31 percent at December 31, 2022 (measurement date) to 4.00 percent at December 31, 2023 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The net pension liability for LGERS was measured as of June 30, 2023, and 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 for LEOSSA was measured as of December 31, 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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 7,485,148	\$ -	\$ 7,485,148
Proportion of the Net Pension Liability	0.11302%	N/A	N/A
Total Pension Liability	-	1,413,858	1,413,858
Pension Expense	2,314,823	108,142	2,422,965

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 834,067	\$ 369,724	\$ 1,203,791
Changes of assumptions	318,076	135,389	453,465
Net difference between projected and actual earnings on pension plan investments	2,003,353	-	2,003,353
Changes in proportion and differences between County contributions and proportionate share of contributions	212,984	-	212,984
County contributions (LGERS)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,381,002</u>	<u>37,587</u>	<u>1,418,589</u>
	<u>\$ 4,749,482</u>	<u>\$ 542,700</u>	<u>\$ 5,292,182</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 17,956	\$ 5,396	\$ 23,352
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes of assumptions	<u>-</u>	<u>144,063</u>	<u>144,063</u>
	<u>\$ 28,160</u>	<u>\$ 149,459</u>	<u>\$ 177,619</u>

Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description:* The County contributes to the Supplemental Retirement Income Plan (the Plan), a defined contribution pension plan administered by the Department of 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 CAFR 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. Also, the law enforcement officers may make voluntary contributions to the Plan.

The County contributed \$75,312 for the year ended June 30, 2023. No amounts were forfeited.

**(3) Other Postemployment Benefit**

Plan Description

Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the “HCB Plan”). This plan provides post-employment healthcare benefits (OPEB) to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (“System”) and have at least 10 years of creditable service with the County. Once the retiree becomes eligible for Medicare, then the County’s health insurance plan will pay claims secondary to Medicare. Also, the County’s retirees can purchase coverage for their dependents at the County’s group rates. Dependent coverage terminates upon the dependent attaining age 65. The County may amend the benefit provisions. A separate report was not issued for the plan. Retirees hired prior to July 1, 2007 receive the same benefits as active employees. The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. As of July 1, 2007, the plan has been closed to new entrants. The plan, which has a June 30, 2023 year end, does not issue a stand-alone report.

Plan membership

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	24
Active plan members	<u>185</u>
Total	<u><u>209</u></u>

Total OPEB Liability

The County’s total OPEB liability of \$3,731,440 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial assumptions and other inputs:* The total OPEB liability in the June 30, 2023 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	3.25% to 7.90% percent
Discount rate	3.65 % percent
Healthcare cost trend rates	Pre-Medicare – 7.00% decreasing to 4.50% by 2033 Medicare – 5.125% decreasing to 4.50% by 2026

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 4,364,139
Changes for the year	
Service cost	123,141
Interest	157,244
Differences between expected and actual experience	(857,297)
Changes in assumptions or other inputs	35,721
Benefit payments	(91,508)
Net changes	<u>(632,699)</u>
Balance at June 30, 2023	<u>\$ 3,731,440</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019.

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 (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 4,189,020	\$ 3,731,440	\$ 3,342,961

Sensitivity of the total OPEB liability to changes 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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 3,308,125	\$ 3,731,440	\$ 4,236,436

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$166,959. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 231,948	\$ 877,880
Changes of assumptions	473,718	648,659
Benefit payments made subsequent to the measurement date	150,042	-
	<u>\$ 855,708</u>	<u>\$ 1,526,539</u>

\$150,042 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB 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	\$ (150,175)
2026	(117,173)
2027	(81,348)
2028	(91,055)
2029	(205,212)
Thereafter	(175,910)
	<u>\$ (820,873)</u>

**(4) 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 employee's 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.

**(5) Landfill Post-Closure Care Costs**

State and federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The \$644,528 reported as landfill post-closure care liability at June 30, 2024, represents the projected actual post-closure care cost of the closed municipal solid waste landfill over the next 2 years and construction and demolition landfill over the next 15 years based on what it would cost to perform all post-closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**(6) Long-term debt**

The County’s long-term debt as of June 30, 2024, consisted of the following:

*Direct Placement Installment Purchases*

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
\$2,200,000 direct placement installment purchase contract, annual principal payments of \$102,667 through September 2024, plus annual interest at 4.87 percent	\$ 205,332	\$ -	\$ 102,667	\$ 102,665
\$980,000 direct placement installment purchase contract, annual principal payments of \$65,333 through September 2024, plus interest at 7.59 percent	130,668	-	65,334	65,334
\$990,000 direct placement installment purchase contract, annual principal payments of \$66,000 through June 2025, including interest at 7.36 percent	132,000	-	66,000	66,000
\$520,000 direct placement installment purchase contract, annual principal payments of \$34,667 through 2030, including interest at 3.01 percent	242,664	-	34,667	207,997
\$80,470 direct placement installment purchase contract, annual payments of \$18,270 through December 2023, including interest at 5.30 percent	17,346	-	17,346	-

\$1,350,000 direct placement installment purchase contract, annual payments of \$281,406 through July 2024, including interest at 1.87 percent	547,393	-	271,169	276,224
\$891,592 direct installment obligation assumed for the transfer of a senior center to the County, May 2019, annual payments of \$41,060 through February 2056, including interest at 3.125 percent.	836,444	-	14,881	821,563
\$305,000 direct placement installment purchase contract for equipment, June 2021, annual payments of \$64,551 through June 2026, including interest at 1.97 percent	186,267	-	60,882	125,385
\$654,060 direct placement installment purchase contract for vehicles and equipment, September 2022, annual payments of \$234,125 through September 2025, including interest at 3.65 percent	654,060	-	210,253	443,807
\$414,423 direct placement installment purchase contract for vehicles and equipment, August 2023, annual payments of \$151,734 through August 2026, including interest at 4.84 percent	-	414,424	-	414,424
\$9,900,000 direct placement installment purchase contract for school construction, annual payments of \$953,507 beginning in 2021 through 2032, including interest at 2.89 percent	<u>8,179,458</u>	<u>-</u>	<u>717,120</u>	<u>7,462,338</u>
Total governmental activities	<u>\$ 11,131,632</u>	<u>\$ 414,424</u>	<u>\$ 1,560,319</u>	<u>\$ 9,985,737</u>

Future minimum payments for installment purchases are as follows:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 1,709,753	\$ 306,346
2026	1,236,885	247,966
2027	976,815	207,806
2028	855,180	177,384
2029	878,932	152,388
2030-2034	3,683,551	371,483
2035-2039	111,109	94,191
2040-2044	129,590	75,710
2045-2049	151,144	54,156
2050-2054	176,283	29,017
2055-2059	76,495	3,653
	<u>\$ 9,985,737</u>	<u>\$ 1,720,100</u>

The County’s remaining legal debt margin as of June 30, 2024 was approximately \$169 million.

*Revolving Loan*

In October 2021, the County entered into a direct placement federal revolving loan for a maximum of \$1,361,311 with a term of 20 years at 0% interest. The loan is for the East Yancey Water and Sewer Project. Beginning in May 2022, the County is required to make annual principal payments of \$38,162 through May 2041. As of June 30, 2024 the balance of the loan was \$756,395.

Future minimum payments for the revolving loan are as follows:

Year ending June 30,	Principal
2025	\$ 55,671
2026	55,671
2027	55,671
2028	55,671
2029	55,671
2030-2034	278,355
2035-2039	199,685
2040-2044	-
	<u>\$ 756,395</u>

**(7) 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 Balances	Increases	Decreases	Ending Balances	Current Portion
Governmental activities:					
Installment purchase	\$ 11,131,632	\$ 414,424	\$ 1,560,319	\$ 9,985,737	\$ 1,709,753
Compensated absences	631,856	612,972	533,035	711,793	530,000
Landfill post-closure liability	708,105	-	63,577	644,528	64,000
Net pension liability - LGERS	6,066,228	1,418,920	-	7,485,148	-
Total pension liability - LEOSA	1,174,720	239,138	-	1,413,858	-
Total OPEB liability	4,364,139	-	632,699	3,731,440	-
Total governmental activities	<u>\$ 24,076,680</u>	<u>\$ 2,685,454</u>	<u>\$ 2,789,630</u>	<u>\$ 23,972,504</u>	<u>\$ 2,303,753</u>

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion
Business type activities					
Revolving loan	<u>\$ 253,035</u>	<u>\$ 824,440</u>	<u>\$ 321,080</u>	<u>\$ 756,395</u>	<u>\$ 55,671</u>

**(C) Deferred Outflows and Inflows of Resources**

Deferred inflows of resources at June 30, 2024, are as follows:

	Governmental Funds		Accrual Adjustment	Governmental Activities
	General	Other		
Unavailable:				
Taxes receivable (net)	\$ 365,139	\$ 26,899	\$ (365,768)	\$ 26,270
Unearned:				
Prepaid taxes	36,905	-	-	36,905
Solid waste deposits	26,270	-	(26,270)	-
Pension deferrals (LEOSA)	-	-	149,459	149,459
Pension deferrals (LGERS)	-	-	28,160	28,160
OPEB deferrals	-	-	1,526,539	1,526,539
Total deferred inflows	<u>\$ 428,314</u>	<u>\$ 26,899</u>	<u>\$ 1,312,120</u>	<u>\$ 1,767,333</u>

Deferred outflows of resources at June 30, 2024, are as follows:

	Governmental Activities
Pension - difference between expected and actual experience (LGERS)	\$ 834,067
OPEB - difference between expected and actual experience	231,948
Pension - difference between expected and actual experience (LEOSSA)	369,724
Pension - difference between projected and actual investment earnings (LGERS)	318,076
Pension - change in proportion and difference between employer contributions and proportionate share contributions (LGERS)	2,003,353
Pension - change in assumptions (LGERS)	212,984
OPEB - change in assumptions	473,718
Pension - change in assumptions (LEOSSA)	135,389
Contributions to the pension plan subsequent to the measurement date (LGERS)	1,381,002
Benefit payments paid subsequent to the measurement date (OPEB)	150,042
Benefit payments paid subsequent to the measurement date (LEOSSA)	37,587
Total deferred outflows	<u>\$ 6,147,890</u>

**(D) Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in a self-funded risk financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of approximately \$20.8 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$1 million per occurrence, flood coverage up to \$5 million per occurrence, and workers' compensation coverage up to the statutory limits. The pool is audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is bonded for \$1,000,000 and the tax collector is bonded for \$150,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

**(E) Inter-fund Balances and Activity**

The County uses a central depository for all of its funds. As a result of temporary timing differences in funds that cause a particular fund's cash balance in the central depository to go negative, the following amounts were due to the general fund at June 30, 2024: \$825,560 from East Yancey Water and Sewer Fund, \$656,395 from the Community Projects Fund, and \$2,003,243 from the School Capital Projects Fund.

Inter-fund transfers for the year ended June 30, 2024, consisted of the following:

Transfers to the Schools Capital Project Fund from the General Fund for matching grants	\$ 394,648
Transfers to the Grant Fund from the General Fund for matching grants	20,000
Transfer to the East Yancey Water and Sewer Fund from the General Fund to fund construction	20,000
	<u>\$ 434,648</u>

**(F) Net Investment in Capital Assets**

The net investment in capital assets at June 30, 2024, consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of depreciation	\$ 19,762,657	\$ 8,709,422
Less:		
Installment purchase contracts	(9,985,737)	(756,395)
Addback: balance of school related debt	7,462,338	-
	<u>\$ 17,239,258</u>	<u>\$ 7,953,027</u>

**(G) Fund Balance**

Yancey County does not have a formal revenue spending policy. However, it is the County’s practice to use resources in the following hierarchy: installment loan proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

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	\$ 8,364,511
Less:	
Restricted for stabilization by State statute	<u>(6,321,254)</u>
Fund balance available for appropriation	2,043,257
Working capital policy	<u>(5,348,203)</u>
Fund balance deficit	<u>\$ (3,304,946)</u>

As noted earlier, the County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that the fund balance available for appropriation is at least equal to 16 percent of the General Fund operating budget.

**Note 4 – Related Organization**

The chairman of the County's governing board is responsible for appointing the members of the Board of the Yancey County Recreation Corporation, but the County's accountability for this organization does not extend beyond making these appointments. The Corporation is a non-profit organization that exists to develop and provide recreational activities for county residents. It is funded with private donations.

**Note 5 – Joint Ventures**

The County, in conjunction with the State of North Carolina, Mitchell County and Avery County, participates in a joint venture to operate Mayland Community College (the "College"). One member is appointed by the Boards of Education in each of the three counties; two members are appointed by the Boards of Commissioners in each of the three counties; and one member is appointed by the Governor of North Carolina from each of the three counties. The President of the Student Government Association of the College serves as an ex officio member of the Board of Trustees. The College is included as a component unit of the state. The County has the basic responsibility for providing annual appropriations for facilities. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County contributed \$444,503 to the college for operating and capital purposes, during the fiscal year ended June 30, 2024. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2024. Complete financial statements for the College may be obtained from the Office of the Vice President for Administration Services, Mayland Community College, P.O. Box 547, Highway 19E, Spruce Pine, NC, 28777.

The County participates in a joint venture to operate the Avery Mitchell Yancey Regional Library (the "Library") with Avery County, Mitchell County, and the Town of Spruce Pine. Each participating County appoints four members to the Board of the Library. The County has an ongoing financial responsibility for the joint venture because of the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements. During the fiscal year ended June 30, 2024, the County contributed \$121,068 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 113 Old Highway 19E, P.O. Drawer 310, Burnsville, NC, 28714.

The County participates in a joint venture to operate Yancey County Planning and Economic Development Commission (the "Commission") with the Town of Burnsville. Each participating government appoints one member to the governing body. The County has an ongoing financial responsibility for the joint venture because of the Commission's continued existence depends on the participating governments' continued funding. Neither of the participating governments have an equity interest in the Commission, so no equity interest has been reflected in the financial statements. During the fiscal year ended June 30, 2024, the county contributed \$70,000 to the Commission to supplement its activities. Complete financial statements for the commission may be obtained from the Commission's office at Yancey County Planning and Economic Development Commission, P.O. Box 246, Burnsville, NC, 28714

The County, in conjunction with 22 other county governments, participates in a joint venture to operate Vaya Health, a public managed care organization ("MCO") which provides mental health, development disability, and substance abuse services to residents of the 23 county area. Each participating government appoints members to the governing body. The County has an ongoing financial responsibility for the joint venture because the MCO's continued existence depends on participating governments' funding. None of the participating governments have an equity interest in the MCO, so no equity interest has been reflected in the financial statements. During the fiscal year ended June 30, 2024, the County contributed \$26,000 to the MCO to supplement its activities. Complete financial statements for the MCO may be obtained from the administrative offices at 200 Ridgefield Ct, Suite 206, Asheville, NC, 28806.

**Note 6 – Jointly Governed Organizations**

The High Country Council of Governments (the Council) is a voluntary association of seven county governments, including the County. The Council was created for the purpose of coordinating federal and state projects of a planning nature in the seen count area comprising Region D in northwestern North Carolina. General support of the Council is provided by the counties based upon their respective populations. Each county appoints one member to the Council’s governing body and this governing body selects the management and determines the budget and financing requirement of the Council. The County paid membership fees of \$21,243 to the Council during fiscal year ended June 30, 2024.

**Note 7 – Summary Disclosure of Significant Commitments and Contingencies**

***Contingencies***

In the opinion of the County’s management and the County’s attorney, there were no pending or threatened litigation claims or assessments (excluding those that may as yet be unasserted) that could have a material adverse effect on the County’s financial position as of and for the year end June 30, 2024.

***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 the 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 8 – Subsequent Event – Hurricane Helene**

In September 2024, Western North Carolina was severely impacted by Hurricane Helene leading to a Federal disaster area declaration which included Yancey County, as well as all surrounding counties and municipalities. Yancey County sustained several million dollars of loss to county-owned properties and management estimates costs of cleanup to be in excess \$106,000,000 as damage assessments are still in process. Primarily, damages include significant debris removal from streets and water rights-of-way. As of the issuance date of these financial statements, management is unable to determine the full extent of these costs, but believe they are adequately insured and intend to pursue any Federal or State grant or emergency relief funding that is available.

**Note 9 – Adjustments and restatements of beginning balances**

Due to the increase in the number of ongoing capital projects, the expenditures in the School Capital Projects Fund significantly increased relative to the previous year. Therefore, the School Capital Projects Fund now meets the quantitative threshold that would require it to be reported as a major governmental fund. The effect of the change within the financial reporting entity is summarized below in the following table.

	Fund balance, 6/30/23, as previously reported	Adjustment - School Capital Projects Fund	Fund balance, 6/30/23, as adjusted
<b>Governmental funds</b>			
Major funds:			
General fund	\$ 10,080,410	\$ -	\$ 10,080,410
Capital Projects Fund	1,350,513	-	1,350,513
Community Projects Fund	-	-	-
School Capital Projects Fund	-	120,131	120,131
Nonmajor funds	557,985	(120,131)	437,854
<b>Total governmental funds</b>	<b>\$ 11,988,908</b>	<b>\$ -</b>	<b>\$ 11,988,908</b>

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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- Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in the Total Pension Liability
  - Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Liability as a Percentage of Covered Payroll
  - Local Government Employees' Retirement System – Schedule of County's Proportionate Share of Net Pension Liability (Asset)
  - Local Government Employees' Retirement System – Schedule of County's Contributions
  - Other Post-Employment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios
-

**YANCEY COUNTY, NORTH CAROLINA**

*Law Enforcement Officers' Special Separation Allowance  
Required Supplementary Information  
Last Eight Fiscal Years\**

**Schedule of Change in Total Pension Liability**

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 1,174,720	\$ 1,098,186	\$ 1,039,110	\$ 605,877	\$ 566,936	\$ 583,774	\$ 573,254	\$ 542,060
Service cost	42,330	57,597	55,224	35,597	22,668	24,726	23,459	27,919
Interest on the total pension liability	49,140	24,247	19,921	19,752	20,636	18,447	22,128	19,352
Differences between expected and actual experience in the measurement of the total pension liability	187,960	225,346	25,956	114,333	(22,915)	(35,724)	(76,878)	-
Change of assumptions or other inputs	28,864	(189,607)	(28,124)	263,551	18,552	(24,287)	41,811	(16,077)
Benefit payments	(69,156)	(41,049)	(13,901)	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 1,413,858</u>	<u>\$ 1,174,720</u>	<u>\$ 1,098,186</u>	<u>\$ 1,039,110</u>	<u>\$ 605,877</u>	<u>\$ 566,936</u>	<u>\$ 583,774</u>	<u>\$ 573,254</u>

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**

Total pension liability	\$ 1,413,858	\$ 1,174,720	\$ 1,098,186	\$ 1,039,110	\$ 605,877	\$ 566,936	\$ 583,774	\$ 573,254
Covered-employee payroll	1,590,397	1,399,301	1,263,887	1,215,369	813,050	884,858	906,486	915,617
Total pension liability as a percentage of covered- employee payroll	88.90%	83.95%	86.89%	85.50%	74.52%	64.07%	64.40%	62.61%

Notes to the schedules:

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

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**YANCEY COUNTY, NORTH CAROLINA**

*County's Proportionate Share of the Net Pension Liability (Asset)  
Required Supplementary Information  
Last Ten Fiscal Years\**

**Local Government Employees' Retirement System**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) (%)	0.11302%	0.10753%	0.10636%	0.08863%	0.08605%	0.08610%	0.08603%	0.08691%	0.08234%	0.08321%
County's proportion of the net pension liability (asset) (\$)	\$ 7,485,148	\$ 6,066,228	\$ 1,631,133	\$ 3,167,127	\$ 2,349,958	\$ 2,042,586	\$ 1,314,300	\$ 1,844,520	\$ 369,537	\$ (490,728)
County's covered payroll	9,359,130	8,048,368	7,907,083	6,270,626	5,956,530	5,575,724	5,274,979	5,111,004	4,659,511	4,598,501
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.98%	75.37%	20.63%	50.51%	39.45%	36.63%	24.92%	36.09%	7.93%	( 10.67%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

YANCEY COUNTY, NORTH CAROLINA

*Schedule of the County's Contributions  
Required Supplementary Information  
Last Ten Fiscal Years*

**Local Government Employees' Retirement System**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,381,002	\$ 1,151,274	\$ 927,748	\$ 815,445	\$ 572,843	\$ 472,521	\$ 428,267	\$ 393,559	\$ 349,281	\$ 336,574
Contributions in relation to the contractually required contribution	<u>1,381,002</u>	<u>1,151,274</u>	<u>927,748</u>	<u>815,445</u>	<u>572,843</u>	<u>472,521</u>	<u>428,267</u>	<u>393,559</u>	<u>349,281</u>	<u>336,574</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	10,561,478	9,359,130	8,048,368	7,907,083	6,270,626	5,956,530	5,575,724	5,274,979	5,111,004	4,659,511
Contributions as a percentage of covered payroll	13.08%	12.30%	11.53%	10.31%	9.14%	7.93%	7.68%	7.46%	6.83%	7.22%

YANCEY COUNTY, NORTH CAROLINA

Schedule of Changes in the Total OPEB Liability and Related Ratios  
Required Supplementary Information  
Last Seven Fiscal Years

Schedule of Changes in Total OPEB Liability

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 123,141	\$ 162,425	\$ 124,750	\$ 91,028	\$ 82,560	\$ 85,472	\$ 92,707
Interest on the total OPEB liability	157,244	110,689	96,646	124,902	145,330	134,812	119,771
Differences between expected and actual experience in the measurement of the total OPEB liability	(857,297)	(477)	394,881	(6,270)	(394,805)	(1,904)	12,363
Change of assumptions or other inputs	35,721	(814,217)	215,089	670,390	3,949	(174,619)	(319,141)
Benefit payments	(91,508)	(112,079)	(123,220)	(95,201)	(95,519)	(93,807)	(102,202)
Net change in total OPEB liability	(632,699)	(653,659)	708,146	784,849	(258,485)	(50,046)	(196,502)
Total OPEB liability - beginning	4,364,139	5,017,798	4,309,652	3,524,803	3,783,288	3,833,334	4,029,836
Total OPEB liability - ending	\$ 3,731,440	\$ 4,364,139	\$ 5,017,798	\$ 4,309,652	\$ 3,524,803	\$ 3,783,288	\$ 3,833,334
Covered-employee payroll	\$ 7,385,396	\$ 7,253,398	\$ 7,253,398	\$ 5,549,674	\$ 5,549,674	\$ 4,937,995	\$ 4,937,995
Total OPEB liability as a percentage of covered-employee payroll	50.52%	60.17%	69.18%	77.66%	63.51%	76.62%	77.63%

Notes to the schedule:

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

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.54%
2024	3.65%

## MAJOR FUNDS

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### *Governmental Fund-Type:*

- The General Fund is the main operating fund of the County. It accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.
  - Tax Revaluation Fund – This fund is established to set aside funding to finance the county-wide real property revaluation. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.
  - Capital Projects Fund – This fund is used to account for the acquisition or construction of major capital facilities of the County (other than those financed by proprietary funds).
  - Community Projects Fund – This fund is used to account for projects that are beneficial to the community that may not be capital in nature.
  - School Capital Projects Fund – This fund is used to account for projects at schools that were in process during the year.
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YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Fund*

For the year ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Ad valorem taxes:			
Current year	\$ 14,520,124	\$ 14,612,344	\$ 92,220
Prior years	253,000	215,397	(37,603)
Penalties and interest	103,000	96,829	(6,171)
Total	<u>14,876,124</u>	<u>14,924,570</u>	<u>48,446</u>
Local option sales taxes:			
Article 39 and 44	3,481,260	3,445,765	(35,495)
Article 40 one-half of one percent	1,766,825	1,776,265	9,440
Article 42 one-half of one percent	1,354,000	1,327,979	(26,021)
Total	<u>6,602,085</u>	<u>6,550,009</u>	<u>(52,076)</u>
Other taxes:			
Medicaid hold harmless	936,229	190,435	(745,794)
White goods disposal tax	48,105	46,078	(2,027)
Occupancy tax	300,000	337,600	37,600
Total	<u>1,284,334</u>	<u>574,113</u>	<u>(710,221)</u>
Unrestricted intergovernmental revenues	<u>110,000</u>	<u>77,306</u>	<u>(32,694)</u>
Restricted intergovernmental revenues:			
DSS federal and state grants	3,081,295	2,571,061	(510,234)
Other federal and state grants	1,866,113	1,542,672	(323,441)
Local grants	15,333	15,333	-
Other restricted	432,662	424,891	(7,771)
Total	<u>5,395,403</u>	<u>4,553,957</u>	<u>(841,446)</u>
Licenses and permits:			
Register of Deeds fees	369,200	261,008	(108,192)
Building, other permit, inspection fees	170,000	151,377	(18,623)
Total	<u>539,200</u>	<u>412,385</u>	<u>(126,815)</u>
Sales and services:			
Rents, concessions, and fees	345,073	296,289	(48,784)
Sheriff/jail fees	235,330	211,620	(23,710)
Sanitation fees	470,000	403,981	(66,019)
Landfill fees	298,231	278,002	(20,229)
EMS fees	1,400,000	1,145,605	(254,395)
Health department fees	425,550	319,699	(105,851)
Recreation fees	551,278	535,709	(15,569)
Total	<u>3,725,462</u>	<u>3,190,905</u>	<u>(534,557)</u>
Investment earnings	<u>605,200</u>	<u>591,764</u>	<u>(13,436)</u>
Miscellaneous	<u>167,408</u>	<u>192,344</u>	<u>24,936</u>
Total revenues	<u>33,305,216</u>	<u>31,067,353</u>	<u>(2,237,863)</u>

YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Fund*

For the year ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures</b>			
General government:			
Governing body	186,059	185,741	318
Administration	130,325	127,942	2,383
Mapping	178,965	178,939	26
Finance	179,665	179,290	375
Tax administration	607,755	606,755	1,000
Clerk of court	18,833	18,147	686
Board of elections	308,068	305,204	2,864
Legal	61,350	57,588	3,762
Register of Deeds	300,447	282,131	18,316
Maintenance	602,343	600,002	2,341
License Plate Agency	189,548	189,518	30
Information technology	177,461	177,248	213
Other general government	<u>1,638,847</u>	<u>1,640,335</u>	<u>(1,488)</u>
Total general government	<u>4,579,666</u>	<u>4,548,840</u>	<u>30,826</u>
Public safety:			
Sheriff's department	1,962,969	1,960,071	2,898
Sheriff's asset forfeiture	30,000	105,289	(75,289)
Sheriff's dispatch	866,593	850,704	15,889
Jail	1,541,802	1,540,100	1,702
Emergency management	299,677	243,710	55,967
Inspections	230,115	224,012	6,103
Ambulance services	79,023	76,468	2,555
Medical examiner	16,500	11,745	4,755
Community paramedic	80,832	80,679	153
EMS	3,545,690	3,544,836	854
County grounds security/school resource officers	<u>635,564</u>	<u>628,990</u>	<u>6,574</u>
Total public safety	<u>9,288,765</u>	<u>9,266,604</u>	<u>22,161</u>
Environmental protection:			
Sanitation	1,674,646	1,673,448	1,198
Soil conservation	107,414	107,414	-
Forestry	63,381	55,544	7,837
Landfill	614,661	568,646	46,015
Recycling	<u>266,250</u>	<u>265,743</u>	<u>507</u>
Total environmental protection	<u>2,726,352</u>	<u>2,670,795</u>	<u>55,557</u>
Economic and physical development:			
Agricultural extension	313,607	257,041	56,566
Economic development commission	370,000	306,513	63,487
Planning	<u>61,899</u>	<u>61,280</u>	<u>619</u>
Total economic and physical development	<u>745,506</u>	<u>624,834</u>	<u>120,672</u>

YANCEY COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Fund

For the year ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Human services:			
Social services income maintenance	1,834,251	1,701,545	132,706
Children and family services	2,553,790	1,970,931	582,859
Child support enforcement	82,473	79,346	3,127
Child day care	517,265	502,622	14,643
Social services administration	704,447	600,800	103,647
Transportation - admin	147,691	141,603	6,088
Transportation - operations	200,683	150,702	49,981
Transportation - E&D Program	141,678	141,678	-
Transportation - 5310 grant	42,436	38,454	3,982
Transportation - capital	186,340	348,344	(162,004)
Health department	1,546,177	1,538,521	7,656
Mental health	58,000	58,000	-
Senior center	518,580	518,479	101
Other	58,655	56,653	2,002
Total human services	<u>8,592,466</u>	<u>7,847,678</u>	<u>744,788</u>
Cultural and recreational:			
Library	131,268	131,245	23
Recreation	164,882	161,948	2,934
Toe River Campground	313,052	310,387	2,665
Cultural Resources Commission	13,200	13,110	90
CRG - administration/youth league	238,700	238,050	650
Total cultural and recreational	<u>861,102</u>	<u>854,740</u>	<u>6,362</u>
Education:			
Public schools	4,330,850	4,330,850	-
Community colleges	444,503	444,503	-
Total education	<u>4,775,353</u>	<u>4,775,353</u>	<u>-</u>
Debt service:			
Principal retirement	1,560,319	1,560,319	-
Interest and fees	296,739	338,685	(41,946)
Total debt service	<u>1,857,058</u>	<u>1,899,004</u>	<u>(41,946)</u>
Total expenditures	<u>33,426,268</u>	<u>32,487,848</u>	<u>938,420</u>
Revenues under expenditures	<u>(121,052)</u>	<u>(1,420,495)</u>	<u>(1,299,443)</u>
<b>Other Financing Sources (Uses)</b>			
Installment obligations issued	634,162	414,424	(219,738)
Sale of capital assets	21,538	21,538	-
Proceeds from insurance	-	25,850	25,850
Appropriated fund balance	1,774,402	-	(1,774,402)
Transfers to other funds	(2,309,050)	(534,648)	1,774,402
Total other financing sources (uses)	<u>121,052</u>	<u>(72,836)</u>	<u>(193,888)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>(1,493,331)</u>	<u>\$ (1,493,331)</u>
Fund balance, beginning of year		<u>9,975,819</u>	
Fund balance, end of year		<u>\$ 8,482,488</u>	

YANCEY COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Revaluation Fund
For the year ended June 30, 2024

Table with 3 columns: Final Budget, Actual, and Variance Positive (Negative). Rows include Expenditures (General Government: Revaluation expenses), Other Financing Sources (Transfers from other funds), Net change in fund balance, Fund balance, beginning of year, and Fund balance (deficit), end of year.

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Capital Projects Fund*

From inception and for the year ended June 30, 2024

	<u>Project Authorization</u>	<u>Reported In Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Restricted intergovernmental	\$ 13,686,913	\$ 4,438,363	\$ 2,223,331	\$ 6,661,694	\$ (7,025,219)
Investment earnings	-	100,259	258,202	358,461	358,461
Miscellaneous	-	5,883	-	5,883	5,883
Total revenues	<u>13,686,913</u>	<u>4,544,505</u>	<u>2,481,533</u>	<u>7,026,038</u>	<u>(6,660,875)</u>
<b>Expenditures</b>					
Public safety:					
Public Safety Annex Building	7,887,202	1,977,029	231,444	2,208,473	5,678,729
Human services					
Transportation Building	2,750,000	115,825	1,297,937	1,413,762	1,336,238
Community Resource Center	815,953	617,469	190,102	807,571	8,382
Cultural and recreational:					
Old Library Renovations	350,000	103,424	-	103,424	246,576
WaterShed Restoration	704,699	436,411	312,375	748,786	(44,087)
FEMA Clean Up	1,654,214	1,299,161	203,854	1,503,015	151,199
Ray Cort Park	1,270,000	595,366	18,768	614,134	655,866
Economic and physical development:					
West Burnsville Industrial Park	2,300,000	-	-	-	2,300,000
Little Leaf Project	5,000,000	255,211	6,298	261,509	4,738,491
Total expenses	<u>22,732,068</u>	<u>5,399,896</u>	<u>2,260,778</u>	<u>7,660,674</u>	<u>15,071,394</u>
Revenues over (under) expenditures	<u>(9,045,155)</u>	<u>(855,391)</u>	<u>220,755</u>	<u>(634,636)</u>	<u>8,410,519</u>
<b>Other Financing Sources</b>					
Installment obligations issued	2,300,000	-	-	-	(2,300,000)
Transfers from other funds	6,745,155	2,205,904	-	2,205,904	(4,539,251)
Total other financing sources	<u>9,045,155</u>	<u>2,205,904</u>	<u>-</u>	<u>2,205,904</u>	<u>(6,839,251)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,350,513</u>	<u>220,755</u>	<u>\$ 1,571,268</u>	<u>\$ 1,571,268</u>
Fund balance, beginning of year			<u>1,350,513</u>		
Fund balance, end of year			<u>\$ 1,571,268</u>		

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Community Projects Fund*

From inception and for the year ended June 30, 2024

	<u>Project Authorization</u>	<u>Reported In Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Local grants	\$ 2,500,000	\$ 329,719	\$ 267,589	\$ 597,308	\$ (1,902,692)
Restricted intergovernmental	<u>16,050,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,050,340)</u>
Total revenues	<u>18,550,340</u>	<u>329,719</u>	<u>267,589</u>	<u>597,308</u>	<u>(17,953,032)</u>
<b>Expenditures</b>					
Economic Development					
Housing study and infrastructure analysis	400,000	319,719	249,339	569,058	(169,058)
Infrastructure for public water and sewer service extension	2,100,000	-	18,250	18,250	2,081,750
Broadband	40,057	10,000	-	10,000	30,057
Charlie Brown Sewer Extension	1,261,320	-	128,670	128,670	1,132,650
West Burnsville Industrial Park Water & Wastewater	2,731,250	-	-	-	2,731,250
South Toe WWTP/East Yancey Wastewater Collection	2,518,950	-	100,659	100,659	2,418,291
Bakers Creek Public Well	688,820	-	8,100	8,100	680,720
Pine Swamp WWTP rehab	<u>8,850,000</u>	<u>-</u>	<u>588,785</u>	<u>588,785</u>	<u>8,261,215</u>
Total expenses	<u>18,590,397</u>	<u>329,719</u>	<u>1,093,803</u>	<u>1,423,522</u>	<u>17,166,875</u>
Revenues under expenditures	(40,057)	-	(826,214)	(826,214)	(786,157)
<b>Other Financing Sources</b>					
Transfers from other funds	<u>40,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,057)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(826,214)</u>	<u>\$ (826,214)</u>	<u>\$ (826,214)</u>
Fund balance, beginning of year			<u>-</u>		
Fund balance (deficit), end of year			<u>\$ (826,214)</u>		

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**School Capital Projects Fund*

From inception and for the year ended June 30, 2024

	<u>Project Authorization</u>	<u>Reported In Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Restricted intergovernmental	\$ 38,921,324	\$ -	\$ 2,743,478	\$ 2,743,478	\$ (36,177,846)
Local match - Yancey County Schools	924,097	-	-	-	(924,097)
Total revenues	<u>39,845,421</u>	<u>-</u>	<u>2,743,478</u>	<u>2,743,478</u>	<u>(37,101,943)</u>
<b>Expenditures</b>					
Education:					
East Yancey Middle School and South Toe Elementary					
Design and Engineering	457,300	167,349	51,613	218,962	238,338
Construction - East Yancey Middle School	4,737,800	-	2,205,362	2,205,362	2,532,438
Construction - South Toe Elementary School	1,833,542	-	1,227,457	1,227,457	606,085
Total	<u>7,028,642</u>	<u>167,349</u>	<u>3,484,432</u>	<u>3,651,781</u>	<u>3,376,861</u>
Blue Ridge Elementary, Burnsville Elementary, and Cane River Middle School					
Blue Ridge Elementary	10,923,862	-	254,406	254,406	10,669,456
Burnsville Elementary	17,533,847	-	1,488,286	1,488,286	16,045,561
Cane River Middle School	5,283,167	-	518,037	518,037	4,765,130
Total	<u>33,740,876</u>	<u>-</u>	<u>2,260,729</u>	<u>2,260,729</u>	<u>31,480,147</u>
Total expenditures	<u>40,769,518</u>	<u>167,349</u>	<u>5,745,161</u>	<u>5,912,510</u>	<u>34,857,008</u>
Revenues under expenditures	<u>(924,097)</u>	<u>(167,349)</u>	<u>(3,001,683)</u>	<u>(3,169,032)</u>	<u>(2,244,935)</u>
<b>Other Financing Sources</b>					
Transfer from other funds	924,097	-	394,648	394,648	(529,449)
Surplus from prior projects	-	287,480	-	287,480	287,480
Total other financing sources	<u>924,097</u>	<u>287,480</u>	<u>394,648</u>	<u>682,128</u>	<u>(241,969)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 120,131</u>	<u>(2,607,035)</u>	<u>\$ (2,486,904)</u>	<u>\$ (2,486,904)</u>
Fund balance, beginning of year			<u>120,131</u>		
Fund balance (deficit), end of year			<u>\$ (2,486,904)</u>		

## NONMAJOR GOVERNMENTAL FUNDS

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### *Special Revenue Funds*

- Fire District Fund – This fund is established to account for the ad valorem tax levies of the six fire districts in Yancey County.
  - Emergency Telephone System Fund – This fund is established to account for the accumulation of funds used to operate the 911 Emergency Service operations.
  - Grants Fund – This fund is established to account for the expenditure of various state and federal grants.
  - Representative Payee Fund – This fund is established to account for revenues and expenditures of amounts held for the benefit of beneficiaries under the Social Security Representative Payee Program.
  - Opioid Settlement Fund – This fund is established to account for funds received due to the opioid settlement reached between multiple states (including NC) and several pharmaceutical companies.
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YANCEY COUNTY, NORTH CAROLINA

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Fire District Fund	Emergency Telephone System Fund	Grants Fund	Representative Payee Fund	Opioid Settlement Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 49,750	\$ 232,528	\$ -	\$ -	\$ -	\$ 282,278
Restricted cash	-	-	12,467	32,347	1,209,338	1,254,152
Receivables, net	26,899	-	-	-	-	26,899
Due from other governments	11,819	9,960	-	-	-	21,779
Total assets	<u>\$ 88,468</u>	<u>\$ 242,488</u>	<u>\$ 12,467</u>	<u>\$ 32,347</u>	<u>\$ 1,209,338</u>	<u>\$ 1,585,108</u>
<b>LIABILITIES</b>						
Accounts payable and other current liabilities	\$ 61,569	\$ 5,027	\$ -	\$ -	\$ -	\$ 66,596
Payable from restricted assets:						
Advances due to grantors	-	-	-	-	1,209,338	1,209,338
Total liabilities	<u>61,569</u>	<u>5,027</u>	<u>-</u>	<u>-</u>	<u>1,209,338</u>	<u>1,275,934</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes receivable	<u>26,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,899</u>
<b>FUND BALANCES</b>						
Restricted:						
Stabilization by State statute	-	9,960	-	-	-	9,960
Public safety	-	227,501	-	-	-	227,501
Human services	-	-	12,467	32,347	-	44,814
Total fund balances	<u>-</u>	<u>237,461</u>	<u>12,467</u>	<u>32,347</u>	<u>-</u>	<u>282,275</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,468</u>	<u>\$ 242,488</u>	<u>\$ 12,467</u>	<u>\$ 32,347</u>	<u>\$ 1,209,338</u>	<u>\$ 1,585,108</u>

**YANCEY COUNTY, NORTH CAROLINA**

*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended June 30, 2024*

	Special Revenue Funds					Capital Project Fund	<b>Total Nonmajor Governmental Funds</b>
	Fire District Fund	Emergency Telephone System Fund	Grants Fund	Representative Payee Fund	Opioid Settlement Fund	School Capital Projects Fund	
<b>Revenues</b>							
Ad valorem taxes	\$ 1,335,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,335,043
Restricted intergovernmental	-	119,536	88,705	109,043	32,077	-	349,361
Miscellaneous	-	-	-	-	341,534	-	341,534
<b>Total revenues</b>	<u>1,335,043</u>	<u>119,536</u>	<u>88,705</u>	<u>109,043</u>	<u>373,611</u>	<u>-</u>	<u>2,025,938</u>
<b>Expenditures</b>							
Public safety	1,335,043	255,142	111,178	-	-	-	1,701,363
Human services	-	-	5,018	121,525	373,611	-	500,154
<b>Total expenditures</b>	<u>1,335,043</u>	<u>255,142</u>	<u>116,196</u>	<u>121,525</u>	<u>373,611</u>	<u>-</u>	<u>2,201,517</u>
Revenues under expenditures	-	(135,606)	(27,491)	(12,482)	-	-	(175,579)
<b>Other Financing Sources</b>							
Transfers from other funds	-	-	20,000	-	-	-	20,000
Net change in fund balances	-	(135,606)	(7,491)	(12,482)	-	-	(155,579)
Fund balance, beginning, as originally reported	-	373,067	19,958	44,829	-	120,131	557,985
Adjustment (Note 9)	-	-	-	-	-	(120,131)	(120,131)
Fund balance, beginning, as adjusted	-	373,067	19,958	44,829	-	-	437,854
Fund balances, end of year	<u>\$ -</u>	<u>\$ 237,461</u>	<u>\$ 12,467</u>	<u>\$ 32,347</u>	<u>\$ -</u>	<u>\$ 120,131</u>	<u>\$ 282,275</u>

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**Fire District Fund*

For the year ended June 30, 2024

	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Positive (Negative)</u></b>
<b>Revenues</b>			
Ad valorem taxes:	\$ 1,600,000	\$ 1,335,043	\$ (264,957)
<b>Expenditures</b>			
Public safety	<u>1,600,000</u>	<u>1,335,043</u>	<u>264,957</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual*  
*Emergency Telephone System Fund*  
 For the year ended June 30, 2024

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Restricted intergovernmental:			
E-911 surcharge	\$ 119,537	\$ 119,536	\$ (1)
PSAP grant	5,512,251	-	(5,512,251)
Total revenues	5,631,788	119,536	(5,512,252)
<b>Expenditures</b>			
Public safety:			
Current:			
Phone		7,923	
Software		35,776	
Hardware		20,102	
Training		4,125	
Other		8,649	
Total current expenses	119,537	76,575	42,962
Capital outlay:			
PSAP grant expenditures	6,572,586	178,567	6,394,019
Total public safety	6,692,123	255,142	6,436,981
Revenues under expenditures	(1,060,335)	(135,606)	924,729
<b>Other Financing Sources</b>			
Appropriated fund balance	511,802	-	(511,802)
Transfer from other funds	548,533	-	(548,533)
Total other financing sources	1,060,335	-	(1,060,335)
Net change in fund balance	\$ -	(135,606)	\$ (135,606)
Fund balance, beginning of year		373,067	
Fund balance, end of year		\$ 237,461	

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**Grants Fund*

For the year ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Restricted intergovernmental:			
State grants	\$ 88,705	\$ 88,705	\$ -
<b>Expenditures</b>			
Public safety	100,446	111,178	(10,732)
Human services	5,000	5,018	(18)
Total expenditures	<u>105,446</u>	<u>116,196</u>	<u>(10,750)</u>
Revenues under expenditures	(16,741)	(27,491)	(10,750)
<b>Other Financing Sources</b>			
Transfers from other funds	<u>16,741</u>	<u>20,000</u>	<u>3,259</u>
Net change in fund balance	<u>\$ -</u>	(7,491)	<u>\$ (7,491)</u>
Fund balance, beginning of year		<u>19,958</u>	
Fund balance, end of year		<u>\$ 12,467</u>	

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**Representative Payee Fund*

For the year ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Restricted intergovernmental	\$ 250,000	\$ 109,043	\$ (140,957)
<b>Expenditures</b>			
Human services			
Payments made for the benefit of beneficiaries	<u>250,000</u>	<u>121,525</u>	<u>128,475</u>
Net change in fund balance	<u>\$ -</u>	(12,482)	<u>\$ (12,482)</u>
Fund balance, beginning of year		<u>44,829</u>	
Fund balance, end of year		<u>\$ 32,347</u>	

## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual*  
*Opioid Settlement Fund*

From inception and for the year ended June 30, 2024

	<u>Project Authorization</u>	<u>Reported In Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Opioid settlement funds	\$ 2,460,883	\$ -	\$ 32,077	\$ 32,077	\$ (2,428,806)
Local grant	<u>600,000</u>	<u>11,621</u>	<u>341,534</u>	<u>353,155</u>	<u>(246,845)</u>
Total revenues	<u>3,060,883</u>	<u>11,621</u>	<u>373,611</u>	<u>385,232</u>	<u>(2,675,651)</u>
<b>Expenditures</b>					
Human services					
Opioid settlement planning	600,000	11,621	341,534	353,155	246,845
Opioid settlement funds distributions	<u>2,460,883</u>	<u>-</u>	<u>32,077</u>	<u>32,077</u>	<u>2,428,806</u>
Total expenditures	<u>3,060,883</u>	<u>11,621</u>	<u>373,611</u>	<u>385,232</u>	<u>2,675,651</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>		
Fund balance, end of year			<u>\$ -</u>		

## **ENTERPRISE FUND**

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Enterprise funds are used to account for revenues resulting primarily from charges for services provided to the general public and the related costs of such services. The County maintains the following major enterprise fund:

- East Yancey Water and Sewer Fund – This fund will be used to account for the operations and maintenance of the East Yancey Water and Sewer System when it is completed. The East Yancey Water and Sewer Capital Project Fund is a sub-fund within the enterprise fund used to account for the construction of the East Yancey Water and Sewer System. The operating fund had no activity during the fiscal year.
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## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual*  
*East Yancey Water & Sewer Capital Project Fund*  
 From inception and for the year ended June 30, 2024

	<u>Project Authorization</u>	<u>Reported In Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Capital grants - DENR	\$ 3,000,000	\$ 3,236,803	\$ 282,918	\$ 3,519,721	\$ 519,721
Capital grants - Rural Center	3,000,000	3,004,732	-	3,004,732	4,732
Private grants - Golden Leaf	300,000	300,000	-	300,000	-
Capital grants - ARC	300,000	294,601	-	294,601	(5,399)
Miscellaneous	-	6,036	-	6,036	6,036
Local contributions - Town	170,050	170,000	-	170,000	(50)
Total revenues	<u>6,770,050</u>	<u>7,012,172</u>	<u>282,918</u>	<u>7,295,090</u>	<u>525,040</u>
<b>Expenditures</b>					
East Yancey Water and Sewer Project		8,507,404	202,019	8,709,423	
Debt service		76,323	38,161	114,484	
Bank service charges		6,205	-	6,205	
Total expenditures	<u>8,701,411</u>	<u>8,589,932</u>	<u>240,180</u>	<u>8,830,112</u>	<u>(128,701)</u>
Revenues under expenditures	<u>(1,931,361)</u>	<u>(1,577,760)</u>	<u>42,738</u>	<u>(1,535,022)</u>	<u>396,339</u>
<b>Other Financing Sources</b>					
Loan proceeds	1,361,311	329,358	824,440	1,153,798	(207,513)
Transfers from other funds	570,050	663,958	20,000	683,958	113,908
Total other financing sources	<u>1,931,361</u>	<u>993,316</u>	<u>844,440</u>	<u>1,837,756</u>	<u>(93,605)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ (584,444)</u>	<u>887,178</u>	<u>\$ 302,734</u>	<u>\$ 302,734</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:					
Principal payments			38,161		
Loan proceeds			(824,440)		
Capital outlay			<u>202,019</u>		
Change in net position			<u>\$ 302,918</u>		

## **CUSTODIAL FUNDS**

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Custodial Funds are used to account for the assets held by the County that are restricted for individuals, private organizations, and/or other governmental entities.

- The County maintains 2 custodial funds – the Municipal Tax Collection Fund and the Inmate Commissary Fund
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## YANCEY COUNTY, NORTH CAROLINA

*Combining Statement of Fiduciary Net Position**Custodial Funds*

June 30, 2024

	<b>Municipal Tax Collections Fund</b>	<b>Inmate Commissary Fund</b>	<b>Total Custodial Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 32,370	\$ 14,256	\$ 46,626
Taxes receivable for other governments, net	<u>9,275</u>	<u>-</u>	<u>9,275</u>
Total assets	<u>41,645</u>	<u>14,256</u>	<u>55,901</u>
<b>Liabilities</b>			
Due to the Town of Burnsville	<u>41,645</u>	<u>-</u>	<u>41,645</u>
<b>Net Position</b>			
Restricted for:			
Individuals and other governments	<u>-</u>	<u>14,256</u>	<u>14,256</u>
Total net position	<u>\$ -</u>	<u>\$ 14,256</u>	<u>\$ 14,256</u>

## YANCEY COUNTY, NORTH CAROLINA

*Combining Statement of Changes in Fiduciary Net Position**Custodial Funds*

June 30, 2024

	<b>Municipal Tax Collections Fund</b>	<b>Inmate Commissary Fund</b>	<b>Total Custodial Funds</b>
<b>Additions</b>			
Ad valorem taxes for other governments	\$ 92,842	\$ -	\$ 92,842
Collections on behalf of inmates	-	55,950	55,950
Total additions	<u>92,842</u>	<u>55,950</u>	<u>148,792</u>
<b>Deductions</b>			
Tax distributions to other governments	92,842	-	92,842
Payments on behalf of inmates	-	54,464	54,464
Total deductions	<u>92,842</u>	<u>54,464</u>	<u>147,306</u>
Net increase in fiduciary net position	-	1,486	1,486
Net position, beginning	<u>-</u>	<u>12,770</u>	<u>12,770</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 14,256</u>	<u>\$ 14,256</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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- Schedule of Ad Valorem Taxes Receivable
  - Analysis of Current County-Wide Tax Levy
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## YANCEY COUNTY, NORTH CAROLINA

*Schedule of Ad Valorem Taxes Receivable**General Fund*

June 30, 2024

Fiscal Year	Uncollected Balance July 1, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 15,008,451	\$ 14,779,437	\$ 229,014
2022-2023	203,133	-	118,167	84,966
2021-2022	79,790	-	33,352	46,438
2020-2021	44,937	-	16,817	28,120
2019-2020	36,176	-	13,307	22,869
2018-2019	37,416	-	9,648	27,768
2017-2018	32,079	-	5,998	26,081
2016-2017	21,373	-	5,632	15,741
2015-2016	10,188	-	3,080	7,108
2014-2015	9,650	-	2,616	7,034
2013-2014	8,878	-	8,878	-
Total	\$ 483,620	\$ 15,008,451	\$ 14,996,932	495,139
Less allowance for uncollectible ad valorem taxes receivable				(130,000)
Ad valorem taxes receivable, net				\$ 365,139
Reconciliation with Revenues:				
Taxes - Ad valorem - General Fund				\$ 14,924,570
Reconciling items:				
Write-offs				8,878
Penalties and interest				(96,829)
Releases and discounts				160,313
Total reconciling items				72,362
Total collections and credits				\$ 14,996,932

## YANCEY COUNTY, NORTH CAROLINA

*Analysis of Current Year County-Wide Tax Levy*  
*General Fund*  
 June 30, 2024

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$2,412,767,833	0.6000	\$ 14,476,607	\$ 13,000,822	\$ 1,475,785
Penalties	-		7,535	7,535	-
Total	<u>2,412,767,833</u>		<u>14,484,142</u>	<u>13,008,357</u>	<u>1,475,785</u>
Discoveries:					
Current year taxes	102,971,500	0.6000	617,829	617,829	-
Abatements	<u>(15,586,667)</u>	0.6000	<u>(93,520)</u>	<u>(93,520)</u>	<u>-</u>
Total property valuation	<u>\$ 2,500,152,667</u>				
Net levy			15,008,451	13,532,666	1,475,785
Current Year's Taxes Uncollected at June 30, 2024			<u>229,014</u>	<u>229,014</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 14,779,437</u>	<u>\$ 13,303,652</u>	<u>\$ 1,475,785</u>
Current Levy Collection %			<u>98.47%</u>	<u>98.31%</u>	<u>100.00%</u>