

**ASHE COUNTY
NORTH CAROLINA
AUDIT REPORT
JUNE 30, 2021**

Priscilla L. Norris, CPA

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ASHE COUNTY, NORTH CAROLINA

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Adam Stumb

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Director of Finance

John Kilby

County Attorney

Deaett Roten

Register of Deeds

Chris Lambert

Tax Administrator

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To the Board of County Commissioners
Ashe County, North Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ashe County, North Carolina as of June 30, 2021 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Assets and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions respectively, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits Schedules of Changes in the Net OPEB Liability and Related Ratios, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Ashe County, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2022, on our consideration of Ashe 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 of that 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 Ashe County's internal control over financial reporting and compliance.



Priscilla L. Norris, CPA

Jefferson, NC

February 9, 2022

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

As management of Ashe County, we offer readers of Ashe County's financial statements this narrative overview and analysis of the financial activities of Ashe County for the fiscal year ended June 30, 2021. 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.

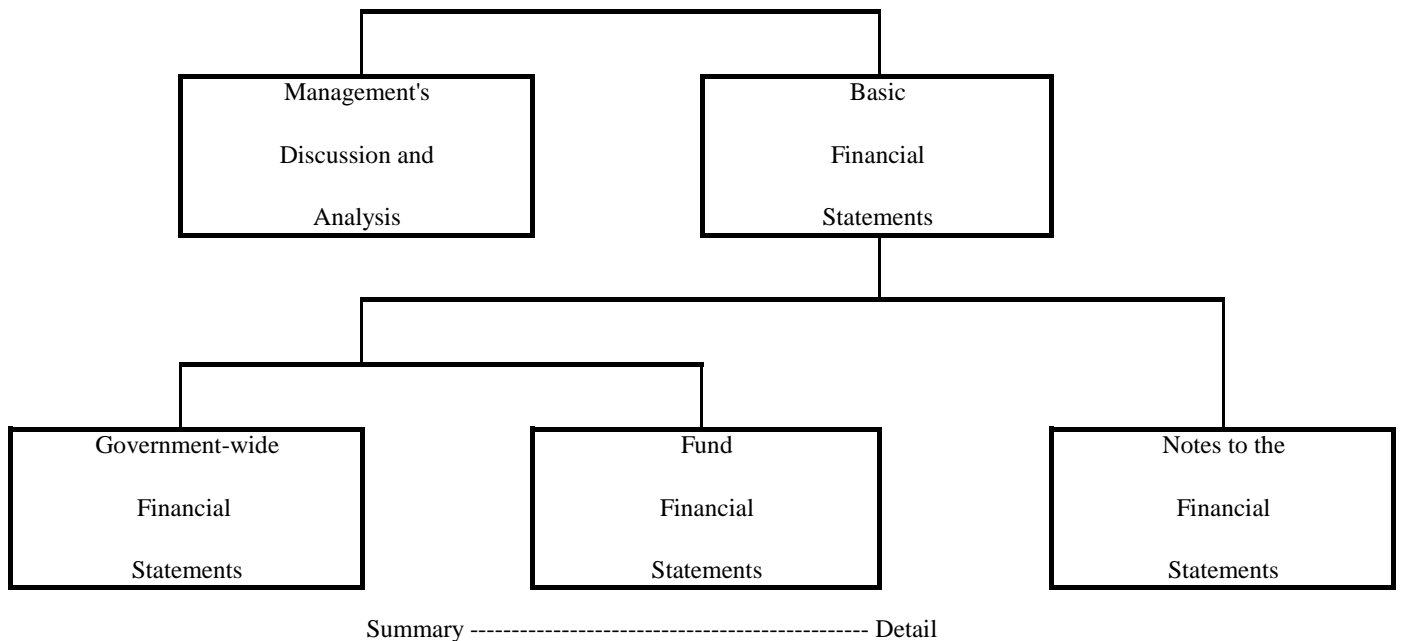
Financial Highlights

- * The assets and deferred outflows of resources of Ashe County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$49,608,315 (net position).
- * The government's total net position decreased by \$4,435,530, compared to a decrease of \$526,063 in the prior year. The main factor in this decrease is due to debt for construction of college facilities of which the County does not own. There is also a small increase of \$85,239 due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, which created two new special revenue funds that were once treated as agency funds.
- * As of the close of the current fiscal year, Ashe County's governmental funds reported combined ending fund balances of \$24,724,433, an increase of \$5,139,340 (which includes a prior period adjustment of \$85,239) in comparison with the prior year. Approximately 37.80 percent of this total amount, or \$9,352,475, is available for spending at the government's discretion (*unassigned fund balance*), beyond amounts assigned for subsequent year's expenditures. Approximately 39.99 percent, or \$9,887,365, is restricted or non-spendable.
- * At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,352,475, or 22.52 percent, of total General Fund expenditures for the fiscal year.
- * Ashe County's total debt increased by \$7,368,064 (112%) during the current fiscal year. The key factors in this increase is new debt of \$13,789,867, less principal payments of \$6,421,804.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Ashe 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 Ashe County.

**Required Components of Annual Financial Report
Figure 1**



**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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 statement; 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. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

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 to the 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 and deferred outflows of resources and 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, human services, 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. These include the landfill and environmental services offered by Ashe County.

The government-wide financial statements are 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. Ashe 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 Ashe County can be divided into two categories: governmental funds and proprietary 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.

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Ashe 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, 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 - Ashe 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. Ashe County uses enterprise funds to account for its landfill and environmental services operations. These funds are the same as those 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 for the benefit of parties outside the government. Ashe County has three fiduciary funds, one of which is a trust fund for the IRC 457 Deferred Compensation Plan Funds for reporting purposes only, and two of which are custodial funds.

Notes to the Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 10 of this report.

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

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 Ashe County exceeded liabilities (and deferred inflows of resources) by \$49,608,315 as of June 30, 2021. One of the largest portions, \$41,349,333 (83.35%), reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Ashe County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Ashe 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 Ashe County's net position, \$9,963,187 (20.08%) represents resources that are subject to external restrictions on how they may be used.

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2021
Current and other assets	\$ 30,238,924	\$ 23,504,238	\$ 5,710,262	\$ 5,392,119	\$ 35,949,186	\$ 28,896,357
Capital assets	40,454,583	40,456,832	6,783,861	6,875,433	47,238,444	47,332,265
Total assets	\$ 70,693,507	\$ 63,961,070	\$ 12,494,123	\$ 12,267,552	\$ 83,187,630	\$ 76,228,622
Deferred outflows of resources	\$ 4,601,778	\$ 3,645,369	\$ 276,054	\$ 233,857	\$ 4,877,832	\$ 3,879,226
Long-term liabilities	29,077,832	18,240,422	5,459,274	5,298,553	34,537,106	23,538,975
Other liabilities	3,465,037	1,673,348	268,529	312,131	3,733,566	1,985,479
Total liabilities	\$ 32,542,869	\$ 19,913,770	\$ 5,727,803	\$ 5,610,684	\$ 38,270,672	\$ 25,524,454
Deferred inflows of resources	\$ 186,295	\$ 597,564	\$ 180	\$ 27,224	\$ 186,475	\$ 624,788
Net position						
Net investment in capital assets	35,352,792	35,216,374	5,996,541	5,756,106	41,349,333	40,972,480
Restricted	9,963,187	5,879,795			9,963,187	5,879,795
Unrestricted	(2,749,858)	5,998,936	1,045,653	1,107,395	(1,704,205)	7,106,331
Total net position	\$ 42,566,121	\$ 47,095,105	\$ 7,042,194	\$ 6,863,501	\$ 49,608,315	\$ 53,958,606

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

- * Continued due diligence in the collection of property taxes by increasing its collection percentage from 96.36% to 97.25%
- * Current Year Ad Valorem Tax collections of \$18,434,008 were approximately \$508,000 more than the prior year.
- * The County ended the year with an increase over the prior year for sales tax collections of approximately \$1,384,139.
- * Infrastructure construction work continued at the County airport, funded mostly by state and federal grants.
- * The County received and spent \$1,220,556 in federal CARES Act Funds in response to the Coronavirus Pandemic.

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Ashe County Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,888,724	\$ 1,724,856	\$ 2,910,068	\$ 2,877,727	\$ 4,798,792	\$ 4,602,583
Operating grants and contributions	7,557,504	5,615,241	88,600	98,039	7,646,104	5,713,280
Capital grants and contributions	495,095	1,059,404			495,095	1,059,404
General revenues:						
Property taxes	19,196,429	18,638,853			19,196,429	18,638,853
Other taxes	10,341,935	8,503,079			10,341,935	8,503,079
Grants and contributions not restricted to specific programs					-	-
Other	88,277	307,159	659	34,717	88,936	341,876
Total revenues	\$ 39,567,964	\$ 35,848,592	\$ 2,999,327	\$ 3,010,483	\$ 42,567,291	38,859,075
Expenses:						
General government	6,540,628	6,202,129			6,540,628	6,202,129
Public safety	9,029,469	8,557,404			9,029,469	8,557,404
Transportation	748,582	703,592			748,582	703,592
Economic and physical development	1,195,866	1,294,142			1,195,866	1,294,142
Human services	12,145,623	10,124,582			12,145,623	10,124,582
Cultural and recreation	1,816,411	1,617,272			1,816,411	1,617,272
Education	12,570,848	7,974,790			12,570,848	7,974,790
Interest on long-term debt	134,760	218,957			134,760	218,957
Environmental services			2,820,634	2,692,270	2,820,634	2,692,270
Total expenses	\$ 44,182,187	\$ 36,692,868	\$ 2,820,634	\$ 2,692,270	\$ 47,002,821	39,385,138
Increase (decrease) in net position before transfers and special items	(4,614,223)	(844,276)	178,693	318,213	(4,435,530)	(526,063)
Gain/Loss on sale of assets						
Increase in net position	(4,614,223)	(844,276)	178,693	318,213	(4,435,530)	(526,063)
Net position, beg. as previously stated	47,095,105	47,939,381	6,863,501	6,545,288	53,958,606	54,484,669
Prior period adjustment	85,239				85,239	
Net position, beginning as restated	47,180,344	47,939,381	6,863,501	6,545,288	54,043,845	54,484,669
Net position, ending	\$ 42,566,121	\$ 47,095,105	\$ 7,042,194	\$ 6,863,501	\$ 49,608,315	53,958,606

Governmental activities: Governmental activities decreased the County's net position by (\$4,614,223), mainly due to construction of college assets that the County does not own.

Business-type activities: Business-type activities increased Ashe County's net position by \$178,693.

Financial Analysis of the County's Funds

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

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

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The General Fund is the chief operating fund of Ashe County. At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$12,628,377 while total fund balance was \$15,294,003. The NC State Treasurer recommends that the County maintain an available fund balance of at least 8% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 30.4% of General Fund expenditures, while total fund balance represents 36.82% of that same amount. Of the total fund balance, the amount that was unassigned at year end was \$9,352,475.

At June 30, 2021, the governmental funds of Ashe County reported a combined fund balance of \$24,724,433, a 26.24 percent increase from last year.

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 budget increased revenues by \$3,369,739. There was a decrease of \$2,287,296 in the appropriation of fund balance.

Proprietary Funds: Ashe County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Environmental Services Fund at the end of the fiscal year amounted to \$1,031,316, a decrease of \$76,079. Total net position of the Environmental Services Fund increased by \$164,356, compared to an increase of \$318,213 in the prior year.

Capital Asset and Debt Administration

Capital Assets: Ashe County's capital assets for its governmental and business-type activities as of June 30, 2021, totals \$46,265,445 (net of accumulated depreciation). These assets include buildings, airport, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- * Purchase of various vehicles and equipment for several departments.
- * Purchase of land for future economic development
- * Continued construction of airport infrastructure.

**Ashe County's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	5,893,257	4,943,257	492,906	492,906	6,386,163	5,436,163
Buildings and system	22,459,182	23,136,612	3,631,972	3,460,572	26,091,154	26,597,184
Improvements other than bldgs.	2,112,417	2,302,215			2,112,417	2,302,215
Machinery and equip.	1,424,901	1,264,345	2,658,978	2,921,951	4,083,879	4,186,296
Infrastructure	637,693	689,902			637,693	689,902
Vehicles and motorized equip.	7,927,133	8,120,502			7,927,133	8,120,502
Construction in progress	-	-			-	-
Total	40,454,583	40,456,833	6,783,856	6,875,429	47,238,439	47,332,262

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Additional information on the County's capital assets can be found in note IV.A.5 and 6 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2021, Ashe County had no general obligation bonds outstanding.

Ashe County's total debt increased by \$7,368,064 during the past fiscal year, primarily due to new debt of \$13,789,867, less principal payments of \$6,421,804.

Additional information regarding Ashe County's long-term debt can be found in note III.B.7 of this audited financial report.

Economic Factors

The following factors affected the economic outlook for Ashe County in FY 2020-2021.

- * Ashe County's economy during FY2020-2021 exceeded expectations with regard to retail sales and occupancy tax revenues, considering the world remained in the middle of the COVID-19 pandemic. Travelers seemed to make their way to the mountains of Ashe County to seek the tranquility and serenity, along with the multitude of outdoor activities available here. This was substantiated by the increase in local sales tax and occupancy tax revenue dollars. Tourism reportedly contributed nearly \$65 million to the county's economy in 2019 before the influx of visitors created by the pandemic. Christmas tree and greenery sales and production continued to excel contributing more than \$85 million dollars to the county's economy during the year. State forecasts were uncertain during the budget process in the spring of 2020 and budget revenues were reduced in anticipation of lower receipts but those revenue estimates were actually increased before the year-end. Some revenues saw a decrease but others saw increases which made up the difference and FY2020-2021 ended in good condition with anticipated uses of fund balance for continuing operations being nominal to none during the current year allowing reserves to continue to remain stable for upcoming capital projects.
- * At the end of FY2019-2020, Ashe County's unemployment rates for June 2020 were 6.5% and the State of North Carolina's were 8.9%. At the end of FY2020-2021, June 2021 figures were at 4.1% and remained lower than the state unemployment rate of 4.9%. For the month of June 2021, the Department of Commerce reported Ashe County's labor force at 12,948 with 532 unemployed. Seasonal jobs related to the tourism and Christmas tree industries have been vital to the continued stabilization of the county's employment rates. The Christmas tree industry alone provides more than 700 jobs year round and more than 2,000 during the harvest season. As some businesses flourished, others especially restaurants, struggled to find the necessary employees to keep their doors open with several employers increasing their wages and offering sign-on and retention bonuses to employees.
- * Work continues on the development of the new industrial park on Ray Taylor Road in West Jefferson. Grants exceeding one million dollars have been secured for the site development and the BREMCO REDLG loan of \$1,360,000 through USDA is still available to the county. The bidding process will begin soon and hopefully the site development can be finished by the summer of 2022. The county will then be able to promote the site-ready property and seek potential industries to bring more-desirable, higher-paying jobs to the area.
- * Thankfully, during the FY2020-2021, the County received funds from the CARES Act that were used to offset unanticipated expenses for testing, tracking, personal protective equipment, immunization efforts, food-security and public health safety measures by multiple agencies and all municipalities within the county.

Next year's budgets and rates

- * For the upcoming fiscal year, Ashe County's ad valorem tax rate will see an increase to 51 cents. Four cents will be needed to build a reserve to finance the new Ashe County Middle School. Annual payments on the loan will begin in excess of \$3M and decline annually. These four cents in ad valorem taxes, along with the required set-aside portions of the articles 40 and 42 sales tax will be needed to cover the payments for approximately the first ten years until the interest declines to a point where the sales tax alone can cover the payments. The remaining three cents will be used to cover increases in operations cost, such as employee retirement benefits passed down from the State, along with other increases in operations such as fuel, utilities, and routine maintenance and supplies. This increase will keep Ashe County's fund balance at a healthy level in case it is needed for

**ASHE COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

unforeseen events such as another pandemic, a weather related disaster, or a federal government shutdown, like we have seen in past years. Sales tax and occupancy tax indicators continue to reflect growth equal to or higher than the state economic forecasts for the upcoming year.

- * The Wilkes Community College/Ashe Campus expansion was completed in the fall of 2021. The Sales Tax Redistribution Article is being used to pay the debt service for this project and those funds are dedicated to the debt service for the duration of that loan.
- * The Highway 163 Convenience Center was opened during the summer of 2021 and the property and improvements have been paid for. The Enterprise Fund household solid waste fee of \$150 is expected to bring in revenues to sustain the department with needed equipment purchases. The Solid Waste ordinance is being reviewed and a sticker system is being discussed to make sure that Ashe County is not receiving other surrounding counties and state's trash at the convenience centers. Work is also beginning to get the site for the next phase of the landfill approved and permitted for construction within the next few years.
- * Construction continues at Ashe County Airport on the Airport Apron Expansion and a Partial Parallel Taxiway. The majority of these ongoing projects are being financed with 100% grants from the NC Department of Transportation, Division of Aviation.
- * Several grants have been awarded to Ashe County for site development, including roadway and utility extensions within the New Industrial Site recently purchased on Ray Taylor Road in West Jefferson to make it building-ready. The project, which is expected to cost approximately \$1,360,000, will be financed with grants from Rural Development, ARC, Golden LEAF, and the Department of Commerce Industrial Development Fund. A Blue Ridge Electric REDLG loan through USDA has been made available to Ashe County to make up the difference between the grants and actual project cost. The County will be seeking LGC approval for this financing arrangement during fiscal year 2022 after bids for the site development project are received toward the end of the calendar year 2021.
- * Over 5 million dollars in American Recovery Funds have been designated to Ashe County. The Board of Commissioners and administration staff, along with many agencies in the county, have been working diligently to come up with the best plans for these funds. Until the "final rule" has been finalized by the federal government, we will not know how many of the requests that have been made for funding can meet the stringent requirements of these funds.
- * As all of the stakeholders work together to move forward with the many projects listed above, Ashe County continues into another fiscal year on a sound financial path with county agencies working together for the benefit of our community.

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, Ashe County, 150 Government Circle, Suite 2500, Jefferson, NC 28640. You can also call (336) 846-5501 or visit our website at www.ashecountygov.com for more information.

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
6/30/2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 15,818,821	\$ 4,997,791	\$ 20,816,612
Restricted cash	9,604,867		9,604,867
Receivables (net)	1,993,606	690,745	2,684,351
Due from other governments	2,745,808	21,726	2,767,534
Net pension asset - ROD	75,822	-	75,822
Subtotal	<u>30,238,924</u>	<u>5,710,262</u>	<u>35,949,186</u>
Capital assets:			
Land, improvements, and construction in progress	5,893,257	492,906	6,386,163
Other capital assets, net of depreciation	34,561,326	6,290,955	40,852,281
Total capital assets	<u>40,454,583</u>	<u>6,783,861</u>	<u>47,238,444</u>
Total assets	<u>\$ 70,693,507</u>	<u>\$ 12,494,123</u>	<u>\$ 83,187,630</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	\$ 3,199,855	\$ 184,769	\$ 3,384,624
OPEB Deferrals	1,401,923	91,285	1,493,208
Total Deferred Outflows	<u>4,601,778</u>	<u>276,054</u>	<u>4,877,832</u>
LIABILITIES			
Accounts payable and accrued expenses	796,264	251,576	1,047,840
Advances from grantors	2,641,932		2,641,932
Accrued interest payable	26,841	16,953	43,794
Long-term liabilities:			
Net pension liabilities - LGERS	5,035,179	324,245	5,359,424
Total pension liabilities - LEOSSA	836,239		836,239
Total OPEB liability	8,977,612	584,567	9,562,179
Due within one year	1,311,439	335,148	1,646,587
Due in more than one year	12,917,363	4,215,314	17,132,677
Total liabilities	<u>\$ 32,542,869</u>	<u>\$ 5,727,803</u>	<u>\$ 38,270,672</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	\$ 62,667	\$ 180	\$ 62,847
OPEB deferrals			-
Prepaid taxes	123,628	-	123,628
Total deferred inflows of resources	<u>\$ 186,295</u>	<u>\$ 180</u>	<u>\$ 186,475</u>
NET POSITION			
Net investment in capital assets	35,352,792	5,996,541	41,349,333
Restricted for:			
Capital projects (education)	6,325,145		6,325,145
Public safety	232,913		232,913
Human services	211,590		211,590
Register of deeds	137,269		137,269
Register of deeds pension plan	75,822		75,822
Stabilization by State statute	2,980,448		2,980,448
Unrestricted	(2,749,858)	1,045,653	(1,704,205)
Total net position	<u>\$ 42,566,121</u>	<u>\$ 7,042,194</u>	<u>\$ 49,608,315</u>

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

EXHIBIT 2

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 6,540,628	\$ 886,886	\$ 72,425	\$ -	\$ (5,581,317)	\$ -	\$ (5,581,317)
Public safety	9,029,469	814,790	1,095,453		(7,119,226)		(7,119,226)
Transportation	748,582	154,395	43,000	245,594	(305,593)		(305,593)
Economic and physical development	1,195,866	1,900	24,988		(1,168,978)		(1,168,978)
Human services	12,145,623	3,978	6,321,638	7,200	(5,812,807)		(5,812,807)
Cultural and recreation	1,816,411	26,775			(1,789,636)		(1,789,636)
Education	12,570,848			242,301	(12,328,547)		(12,328,547)
Interest on long-term debt	134,760				(134,760)		(134,760)
Total governmental activities	44,182,187	1,888,724	7,557,504	495,095	(34,240,864)		(34,240,864)
Business-type Activities:							
Environmental services	2,820,634	2,910,068	88,600			178,034	178,034
Total business-type activities	2,820,634	2,910,068	88,600			178,034	178,034
Totals	\$ 47,002,821	\$ 4,798,792	\$ 7,646,104	\$ 495,095	\$ (34,240,864)	\$ 178,034	\$ (34,062,830)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					19,196,429		19,196,429
Local Option Sales tax					9,292,294		9,292,294
Other taxes and licenses					1,049,641		1,049,641
Grants and contributions not restricted to specific programs					5,547		5,547
Investment earnings, unrestricted					13,044	659	13,703
Miscellaneous, unrestricted					69,686		69,686
Gain on sale of assets							-
Total general revenues, special items, and transfers					29,626,641	659	29,627,300
Change in net position					(4,614,223)	178,693	(4,435,530)
Net position - beginning, as previously stated					47,095,105	6,863,501	53,958,606
Prior period adjustment					85,239		85,239
Net position - beginning, as restated					47,180,344	6,863,501	54,043,845
Net position - ending					\$ 42,566,121	\$ 7,042,194	\$ 49,608,315

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

ASHE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

EXHIBIT 3

	<u>Major Governmental Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>School Capital Projects</u>	<u>Non-Major Governmental Funds</u>	
Assets				
Cash & Investments	\$ 13,275,815	\$ -	\$ 2,543,006	\$ 15,818,821
Restricted Cash	286,129	6,314,468	3,004,270	9,604,867
Receivables (Net):				
Taxes	1,472,990			1,472,990
Accounts	116,761			116,761
Due from Other Funds	25,905		102,651	128,556
Due from Other Governments	2,522,960	10,677	212,171	2,745,808
	<u>\$ 17,700,560</u>	<u>\$ 6,325,145</u>	<u>\$ 5,862,098</u>	<u>\$ 29,887,803</u>
Liabilities				
Accounts Payable & Accrued Liabilities	\$ 707,288	\$ -	\$ 88,976	796,264
Due to Other Funds	102,651		25,905	128,556
Advances from Grantors			2,641,932	2,641,932
Total Liabilities	<u>\$ 809,939</u>	<u>\$ -</u>	<u>\$ 2,756,813</u>	<u>\$ 3,566,752</u>
Deferred Inflows of Resources				
Property Taxes Receivable	\$ 1,472,990	\$ -	\$ -	\$ 1,472,990
Prepaid Taxes	123,628			123,628
Total Deferred Inflows of Resources	<u>\$ 1,596,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,596,618</u>
Fund Balances				
Restricted for:				
Stabilization by State Statute	\$ 2,665,626	\$ -	\$ 314,822	\$ 2,980,448
Register of Deeds	137,269			137,269
Human Services	38,327		173,263	211,590
School Capital Outlay		6,325,145		6,325,145
Public Safety			232,913	232,913
Committed for:				
Tax Revaluation	110,534			110,534
Human Services	17,445			17,445
Capital Projects			2,384,287	2,384,287
Assigned:				
Subsequent Year's Expenditures	2,972,327			2,972,327
Unassigned:	9,352,475			9,352,475
	<u>\$ 15,294,003</u>	<u>\$ 6,325,145</u>	<u>\$ 3,105,285</u>	<u>\$ 24,724,433</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 17,700,560</u>	<u>\$ 6,325,145</u>	<u>\$ 5,862,098</u>	

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

ASHE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

EXHIBIT 3

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 40,454,583
Contributions to Pension Plans in the current fiscal year are deferred outflows of resources	1,050,711
Net pension asset - ROD	75,822
Contributions to OPEB plan in the current fiscal year are deferred outflows of resources	220,186
Deferred outflows of resources on the Statement of Net Position related to pensions, other than contributions	2,149,144
Deferred outflows of resources on the Statement of Net Position related to OPEB, other than contributions	1,181,737
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds, such as accrued interest receivable on taxes.	403,855
Deferred inflows of resources for taxes receivable on the Balance Sheet are added to net position	1,472,990
Deferred inflows of resources on the Statement of Net Position related to pensions	(62,667)
Deferred inflows of resources on the Statement of Net Position related to OPEB	-
Some liabilities, including debt payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in funds.	(14,255,643)
Net pension liability - LGERS	(5,035,179)
Net OPEB liability	(8,977,612)
Total pension liability - LEOSSA	(836,239)
Total difference	\$ 17,841,688
Total fund balance	\$ 24,724,433
Net position of governmental activities	\$ 42,566,121

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

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Governmental Funds</u>		<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>School Capital Projects</u>		
Revenues				
Ad Valorem Taxes	\$ 19,485,617	\$ -	\$ -	\$ 19,485,617
Local Option Sales Tax	9,292,294			9,292,294
Other Taxes	1,049,641			1,049,641
Unrestricted Intergovernmental Revenues	5,547			5,547
Restricted Intergovernmental Revenues	5,788,986	240,424	2,361,497	8,390,907
Licenses & Permits	482,798		291,279	774,077
Sales & Services	1,133,075			1,133,075
Investment Earnings	13,044	1,877		14,921
Miscellaneous	65,086		7,200	72,286
Total Revenue	<u>\$ 37,316,088</u>	<u>\$ 242,301</u>	<u>\$ 2,659,976</u>	<u>\$ 40,218,365</u>
Expenditures				
General Government	\$ 5,271,089	\$ -	\$ 291,279	\$ 5,562,368
Public Safety	8,010,634		245,039	8,255,673
Transportation	247,512			247,512
Economic & Physical Development	1,782,594			1,782,594
Human Services	10,239,171		1,758,507	11,997,678
Cultural & Recreational	1,519,180			1,519,180
Educational	6,145,456			6,145,456
Capital Outlay		6,226,256	859,925	7,086,181
Debt Services:				
Principal Retirement	5,762,500	216,262		5,978,762
Interest	189,723	189,129		378,852
Total Expenditures	<u>\$ 39,167,859</u>	<u>\$ 6,631,647</u>	<u>\$ 3,154,750</u>	<u>\$ 48,954,256</u>
Revenues Over (Under) Expenditures	<u>\$ (1,851,771)</u>	<u>\$ (6,389,346)</u>	<u>\$ (494,774)</u>	<u>\$ (8,735,891)</u>
Other Financing Sources (Uses)				
Loan Proceeds	400,000	13,150,000	239,867	13,789,867
Operating Transfer - In	5,802,500	1,871,900	898,502	8,572,902
Operating Transfer - Out	(2,770,402)	(5,062,500)	(740,000)	(8,572,902)
Total Other Financing Sources (Uses)	<u>\$ 3,432,098</u>	<u>\$ 9,959,400</u>	<u>\$ 398,369</u>	<u>\$ 13,789,867</u>
Net Change in Fund Balance	<u>\$ 1,580,327</u>	<u>\$ 3,570,054</u>	<u>\$ (96,280)</u>	<u>\$ 5,053,976</u>
Fund Balances:				
Beginning of Year, Original	\$ 13,713,676	\$ 2,755,091	\$ 3,116,326	\$ 19,585,093
Prior period restatement			85,239	85,239
Beginning, as restated	<u>\$ 13,713,676</u>	<u>\$ 2,755,091</u>	<u>3,201,565</u>	<u>19,670,332</u>
End of Year	<u>\$ 15,294,003</u>	<u>\$ 6,325,145</u>	<u>\$ 3,105,285</u>	<u>\$ 24,724,308</u>

The accompanying notes are an integral part of the financial statements.

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds (or is exceeded by) depreciation in the current period.	\$ 2,434
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(4,682)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,030,466
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	20,245
Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	220,186
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(8,000,066)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Decrease (increase) in interest expense between fund statements and government-wide statements	50,943
Decrease (increase) in Compensated Absences	(39,883)
OPEB Expense	(777,953)
Pension Expense	(1,880,826)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Increase (Decrease) in deferred inflows for taxes receivable at year end	(248,812)
Increase (Decrease) in accrued tax interest receivable at end of year	(40,376)
Total difference	<u>(9,668,324)</u>
Net changes in fund balances - total governmental funds	<u>\$ 5,054,101</u>
Total change in net position of governmental activities	<u><u>\$ (4,614,223)</u></u>

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

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 18,014,778	\$ 18,014,778	\$ 19,485,617	\$ 1,470,839
Local option sales tax	6,208,000	8,708,000	9,292,294	584,294
Other taxes	461,600	815,030	1,049,641	234,611
Unrestricted intergovernmental			5,547	5,547
Restricted intergovernmental	5,516,495	5,967,311	5,788,986	(178,325)
Licenses & Permits	370,665	370,665	482,798	112,133
Sales and services	994,200	1,039,523	1,133,075	93,552
Investment earnings	100,000	100,170	13,044	(87,126)
Miscellaneous	-	-	65,086	65,086
Total Revenues	\$ 31,665,738	\$ 35,015,477	\$ 37,316,088	\$ 2,300,611
Expenditures				
Current:				
General government	5,587,528	5,682,272	5,207,724	474,548
Public safety	8,180,149	8,442,325	8,010,634	431,691
Transportation	293,990	293,990	247,512	46,478
Economic and physical development	1,545,568	2,058,734	1,782,594	276,140
Human services	10,871,630	11,139,999	10,239,171	900,828
Cultural and recreational	1,416,880	1,649,144	1,519,180	129,964
Intergovernmental				
Education	6,150,467	6,150,467	6,145,456	5,011
Debt service:				
Principal retirement	675,000	5,762,500	5,762,500	-
Interest and other charges	197,218	189,723	189,723	-
Contingency fund	250,000	151,245		151,245
Total expenditures	35,168,430	41,520,399	39,104,494	2,415,905
Revenues over (under) expenditures	\$ (3,502,692)	\$ (6,504,922)	\$ (1,788,406)	\$ 4,716,516
Other financing sources (uses):				
Loan Proceeds		400,000	400,000	-
Transfer to other funds	(2,667,751)	(2,840,725)	(2,840,725)	-
Transfer from other funds	740,000	5,802,500	5,802,500	-
Appropriated fund balance	5,430,443	3,143,147		(3,143,147)
Total other financing sources (uses)	3,502,692	6,504,922	3,361,775	(3,143,147)
Net change in Fund Balance	\$ -	\$ -	\$ 1,573,369	\$ 1,573,369

Fund Balances, General Fund:

Beginning of year July 1	13,610,101
End of year June 30	<u>\$ 15,183,470</u>

A legally budgeted Tax Revaluation fund is consolidated into the General Fund for reporting purposes:

Transfer in from General Fund	\$ 70,323
Expenditures	(63,365)

Fund Balance, Beginning, Tax Revaluation	103,575
Fund Balance, Ending, Combined (Exhibit 4)	<u>15,294,003</u>

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

Environmental Services Fund

Assets

Current Assets:	
Cash & Investments	\$ 4,997,791
Receivables (Net):	
SWDF	650,482
Accounts	40,263
Due From Other Governments	21,726
Total Current Assets	<u>\$ 5,710,262</u>
Non Current Assets:	
Capital Assets, Net of Depreciation	6,783,861
Total Noncurrent Assets	<u>\$ 6,783,861</u>
Total Assets	<u>\$ 12,494,123</u>

Deferred Outflows of Resources

Pension Deferrals	\$ 184,769
OPEB Deferrals	91,285
Total Deferred Outflows	<u>276,054</u>

Liabilities and Net Position

Current Liabilities:	
Accounts Payable	251,576
Accrued Interest Payable	16,953
Current Portion of Notes Payable	335,148
Total Current Liabilities	<u>\$ 603,677</u>
Noncurrent Liabilities:	
Net Pension Liabilities	\$ 324,245
Compensated Absences Payable	64,754
Other Post - Employment Benefits Payable	584,567
Accrued Landfill Closure and Postclosure Care Costs	3,698,388
Noncurrent Portion of Notes Payable	452,172
Total Noncurrent Liabilities	<u>5,124,126</u>
Total Liabilities	<u>\$ 5,727,803</u>

Deferred Inflows of Resources

Pension Deferrals	\$ 180
OPEB Deferrals	-
Total Deferred Outflows	<u>180</u>

Net Position

Net Investment in Capital Assets	\$ 5,996,541
Unrestricted	1,045,653
Total Net Position	<u>\$ 7,042,194</u>

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

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Enterprise Fund</u>
	<u>Environmental Services</u>
	<u>Fund</u>
Operating Revenues:	
SWDF - Household Fees	\$ 2,339,054
SWDF - Commercial Fees	418,305
Recycling Revenues	152,409
Miscellaneous Revenue	300
Total Operating Revenues	\$ 2,910,068
Operating Expenses:	
Environmental Services - Collections	\$ 1,194,575
Environmental Services - Disposal	888,886
Depreciation	391,729
Landfill Closure and Postclosure Care Costs	325,000
Total Operating Expenses	\$ 2,800,190
Operating Income (Net)	\$ 109,878
Non-Operating Revenues and Expenses	
Contributions From Other Governments	\$ 6,000
Solid Waste Disposal Tax	23,531
Scrap Tire Disposal Tax and Grant	43,665
White Goods Disposal Tax and Grant	7,013
Gain on Sale of Fixed Assets	5,000
Electronics Management Distr.	3,391
Investment Earnings	659
Interest on Long - Term Debt	(20,444)
Total Non-Operating Revenues and Expenses	68,815
Change in Net Position	\$ 178,693
Total Net Position, Beginning	\$ 6,863,501
Total Net Position, Ending	\$ 7,042,194

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

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 2,986,232
Cash paid for goods and services	(868,877)
Cash paid to employees for services	(1,158,108)
Net cash provided (used) by operating activities	<u>\$ 959,247</u>
Cash flows from non-capital financing activities:	
Contributions from other governments	\$ 6,000
Disposal tax and grants	76,614
Transfer-in from General Fund	
Net cash provided (used) by non-capital financing activities	<u>\$ 82,614</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of fixed assets	\$ 5,000
Acquisition of capital assets	(300,156)
Proceeds from loan	-
Principal paid on loan	(334,282)
Loan interest paid	(19,761)
Net cash provided (used) by capital and related financing activities	<u>(649,199)</u>
Cash flows from investing activities:	
Interest on investments	\$ 659
Net cash provided (used) by investing activities	<u>\$ 659</u>
Net increase (decrease) in cash and cash equivalents	\$ 393,321
Cash and cash equivalents, July 1	4,604,470
Cash and cash equivalents, June 30	<u>\$ 4,997,791</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 109,878</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	391,729
Landfill closure and postclosure care costs	325,000
Changes in assets, liabilities, and deferred outflows and inflows of resources:	
(Increase) decrease in accounts receivable	76,164
(Increase) decrease in deferred outflows of resources - pensions	(28,045)
(Increase) decrease in deferred outflows of resources - OPEB	(14,152)
Increase (decrease) in net pension liability	73,023
Increase (decrease) in net OPEB liabilities	90,876
Increase (decrease) in deferred inflows of resources - pensions	(101)
Increase (decrease) in deferred inflows of resources - OPEB	(26,943)
Increase (decrease) in accounts payable and accrued liabilities	(42,011)
Increase (decrease) in accrued vacation pay	3,829
Total adjustments	<u>\$ 849,369</u>
Net cash provided (used) by operating activities	<u>\$ 959,247</u>

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

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>IRC 457 Deferred Compensation Plan</u>	<u>Custodial Funds</u>
<u>Assets</u>		
Cash & Cash Equivalents	\$ -	\$ 68,965
Taxes Receivable Fire Districts, net		171,996
Investments at Fair Value		
Domestic Equities	529,948	
Fixed Income	364,023	
Total Assets	<u>\$ 893,971</u>	<u>\$ 240,961</u>
<u>Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Due to Other Governments		184,362
Total Liabilities	<u>-</u>	<u>184,362</u>
<u>Net Position</u>		
Restricted For:		
Postemployment Benefits Other Than Pensions	\$ 893,971	\$ -
Individuals, Organizations, and Other Governments		56,599
Total Fiduciary Net Position	<u>\$ 893,971</u>	<u>\$ 56,599</u>

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

ASHE COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>IRC 457 Deferred Compensation Plan</u>	<u>Custodial Funds</u>
<u>Additions</u>		
Employee Contributions	\$ 3,660	\$ -
Investment Income:		
Interest and Dividends	169,603	
Ad Valorem Taxes Collected for Fire Districts		1,861,590
Collections on Behalf of Inmates		233,701
Total Additions	<u>\$ 173,263</u>	<u>\$ 2,095,291</u>
<u>Deductions</u>		
Benefit Payments	\$ 26,328	\$ -
Asset Fees	4,247	
Tax Distributions to Fire Districts		1,861,590
Payments on Behalf of Inmates		226,922
Total Deductions	<u>30,575</u>	<u>2,088,512</u>
Net Increase (Decrease) in Fiduciary Net Position	142,688	6,779
Net Position - Beginning, as Previously Reported	-	-
Prior Period Restatement	751,283	49,820
Net Position - Beginning, as Restated	<u>751,283</u>	<u>49,820</u>
Net FNet Position - Ending	<u>\$ 893,971</u>	<u>\$ 56,599</u>

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. Summary of Significant Accounting Policies

The accounting policies of Ashe 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.

Discretely Presented Component Units

Ashe County Industrial Facility and Pollution Control Financing Authority

Ashe County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a five-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority 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 primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties.

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

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

equal values. Nonoperating 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.

Ashe County Schools Capital Projects Fund. This fund accounts for capital outlay for Ashe County Schools.

The County reports the following major enterprise fund:

Environmental Services Fund. This fund accounts for the operation, maintenance, and development of landfills and disposal sites. The Landfill Closure and Postclosure Reserve Fund has been consolidated into the Environmental Services Fund for reporting purposes.

The County reports the following fund types:

Trust Funds - Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The IRC 457 Deferred Compensation Plan accounts for retirement funds held under that plan for qualified retirees.

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 Fire District Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various fire districts within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of the inmates from their friends and families.

Nonmajor Funds . The County maintains nine legally budgeted funds. The Emergency Telephone System Fund, the 4-H Activities Fund, the DSS Representative Payee Fund , the Deed of Trust Fund, the Coronavirus Relief Fund and the ARPA Fund are reported as nonmajor special revenue funds. The Government Buildings Capital Projects Fund, the Economic Development Capital Projects Fund, and the CDBG Fund are reported as capital projects funds.

Measurement Focus, Basis of Accounting

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

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 nonoperating revenues and expenses.

Governmental Fund Financial Statements . Governmental funds are reported using the current financial resources 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 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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the School Capital Projects Fund, The Emergency Telephone System Fund, The 4-H Program Activities Fund, the DSS Representative Payee Fund, the Deed of Trust Fund, the Government Building Capital Projects Fund the Economic Development Capital Projects Fund, and the Enterprise Funds. All annual appropriations lapse at the

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

fiscal year-end. Project ordinances are adopted for the Coronavirus Relief Fund, and the American Rescue Plan Act Funds. The Landfill Closure and Postclosure Reserve Fund is consolidated with the enterprise fund for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the general fund, at the departmental level for the special revenue and enterprise funds, and at the project level for the capital projects funds. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the County 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 Super NOW 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 County's investments are carried at fair value as determined by quoted market prices. 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. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Assets

Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the Register of Deeds Automation Fund is classified as restricted assets since its use is restricted by North Carolina General Statutes. The unexpended loan proceeds in the School Capital Projects Fund, as well as other money in that fund, are classified as restricted assets because their use is restricted per North Carolina General Statutes 159-18 through 22.

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Ashe County Restricted Cash

Governmental Activities			
General Fund	Tax Revaluation	\$	110,534
General Fund	Register of Deeds		137,269
General Fund	Human Services		38,327
Capital Projects Fund	Education		6,314,468
Special Revenue Fund	Public Safety		287,824
Special Revenue Fund	Human Services		2,716,446
Total Governmental Activities		\$	<u>9,604,868</u>
Business-Type Activities			
None			
Total Restricted Cash		\$	<u>9,604,868</u>

4. Ad Valorem Taxes Receivable

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

The inventories of the County's General Fund and enterprise fund consists of expendable supplies that are recorded as expenditures when purchased.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value as the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are as follows: land, \$ 0; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$100,000; furniture and equipment, \$5,000; computer software, \$5,000; and vehicles, \$5,000. 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.

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	Years
Buildings and plant assets	50
Improvements	25
Furniture and equipment	10
Vehicles	5
Computer equipment	3
Environmental services heavy equipment	25
Computer software	5

8. Deferred Outflows/Inflows of Resources

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

9. Long-term Obligations

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

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

10. Compensated Absences

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 and proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Time in excess of thirty days rolls over to sick leave at June 30.

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 the entity has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position / Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a)

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable Fund Balance at year end was zero.

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

Restricted for Human Services - portion of fund balance that is restricted by revenue source for human services purposes, such as DSS, 4-H, Coronavirus Relief and American Rescue Plan Act.

Restricted for School Capital Outlay - portion of fund balance that can only be used for School Capital Outlay per G.S. 159-18-22.

Restricted for Public Safety - portion of fund balance restricted by North Carolina General Statutes for specific purposes in the provision of 911 services.

Committed Fund Balance - portion of fund balance that can only be used for specific purpose imposed by majority vote of Ashe County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by governing body.

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Committed for Human Services - portion of fund balance that has been committed for farm preservation.

Committed for Capital Projects - portion of fund balance that can only be used for capital expenditures.

Assigned Fund Balance - portion of fund balance that the Ashe County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

Ashe County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local 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 Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

12. Defined Benefit Pension Plans and OPEB Plans

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

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$17,841,688 consists of the following:

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 68,530,521
Less accumulated depreciation	<u>(28,075,938)</u>
Net capital assets	\$ 40,454,583
Net pension asset - ROD	75,822
Contributions to LGERS and ROD pension plans in current fiscal year (in Deferred Outflows)	1,030,466
Contributions to OPEB plan in current fiscal year	220,186
Benefit payments and administration cost for LEOSSA that are in deferred outflows	20,245
Deferred outflows of resources related to pensions	2,149,144
Deferred outflows of resources related to OPEB	1,181,737
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	403,855
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide. (Taxes)	1,472,990
Deferred inflows of resources related to pensions	(62,667)
Deferred inflows of resources related to OPEB	-
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:	
Bonds, leases, and installment financing	(13,456,791)
Compensated absences	(772,011)
Accrued interest payable	(26,841)
Other postemployment benefits payable	(8,977,612)
Net pension liability - LGERS	(5,035,179)
Net pension liability - LEO	<u>(836,239)</u>
Total adjustment	<u>\$ 17,841,688</u>

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statements of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances include a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of (\$9,668,324) is comprised of the following:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,955,120
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,952,686)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(4,682)
New debt issued during the year is recorded as a source of funds on the fund statements. It has no effect on the Statement of Activities.	(14,089,867)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	6,089,801
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,030,466
Benefit payments and pension administration cost for LEOSSA that are deferred outflows of resources on the Statement of Net Position.	20,245
Contributions to the OPEB plan are deferred outflows of resources on the statement of Net Position	220,186
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	50,943
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources (Increase) Decrease in compensated absences payable.	(39,883)
OPEB Expense	(777,953)
Pension expense	(1,880,826)

Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Increase (Decrease) in deferred inflows - taxes receivable - at year end	(248,812)
Increase (Decrease) in accrued interest receivable on taxes at year end	(40,376)
Total adjustment	\$ (9,668,324)

II. Stewardship, Compliance, and Accountability

There were no instances of material matters of noncompliance with federal and state general statute requirements.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by its agents in its 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 has no policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$8,378,199 and a bank balance of \$9,100,808. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$8,600,808 in interest bearing deposits were covered by collateral held under the Pooling Method. At June 30, 2021, Ashe County had \$3,270 cash on hand.

2. Investments

At June 30, 2021 the County's investments consisted of \$20,676,378 in the North Carolina Capital Management Trust Government Portfolio, fair value level 1. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service. Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. The County has no policy on credit risk. The IRC 457 Deferred Compensation plan has a balance of \$893,971 at year end.

3. Property Tax-Use-Value Assessment on Certain Lands

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

ASHE COUNTY, NORTH CAROLINA
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<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2017-18	\$ 1,710,486	\$ 560,184	\$ 2,270,670
2018-19	1,718,884	408,235	2,127,119
2019-20	1,642,010	242,196	1,884,206
2020-21	1,674,658	96,293	1,770,951
Total	<u>\$ 6,746,038</u>	<u>\$ 1,306,908</u>	<u>\$ 8,052,946</u>

4. Receivables

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

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Due from Other Funds</u>	<u>Total</u>
<u>Governmental Activities:</u>					
General	\$ 116,761	\$ 2,467,845	\$ 2,522,960	\$ -	\$ 5,107,566
Other Governmental			222,848		222,848
Total receivables	116,761	2,467,845	2,745,808		5,330,414
Allowance for doubtful accounts		(591,000)			(591,000)
Total-governmental activities	<u>\$ 116,761</u>	<u>\$ 1,876,845</u>	<u>\$ 2,745,808</u>	<u>\$ -</u>	<u>\$ 4,739,414</u>
<u>Business-type Activities:</u>					
Environmental Services	690,745		21,726		\$ 712,471
Total receivables	690,745		21,726		712,471
Allowance for doubtful accounts					
Total-business-type activities	<u>\$ 690,745</u>	<u>\$ -</u>	<u>\$ 21,726</u>	<u>\$ -</u>	<u>\$ 712,471</u>

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

Local option sales tax	\$ 1,648,463
Sales tax and gas tax refund receivable	193,580
Scrap Tire and White Goods Disposal Tax	21,726
Restricted intergovernmental grants	903,765
Total	<u>\$ 2,767,534</u>

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 4,943,257	\$ 950,000	\$ -	\$ 5,893,257
Construction in Progress				-
Total cap assets not being depreciated	<u>4,943,257</u>	<u>950,000</u>	<u>-</u>	<u>5,893,257</u>
Capital assets being depreciated:				
Buildings	35,631,902			35,631,902
Other improvements	6,779,115			6,779,115
Infrastructure	11,784,924	268,730		12,053,654
Equipment	4,514,718	482,801		4,997,519
Vehicles and motor equipment	3,135,979	253,589	214,494	3,175,074
Total capital assets being depreciated	<u>61,846,638</u>	<u>1,005,120</u>	<u>214,494</u>	<u>62,637,264</u>
Less accumulated depreciation for:				
Buildings	12,495,290	677,430		13,172,720
Other improvements	4,476,900	189,798		4,666,698
Infrastructure	3,664,424	462,098		4,126,522
Equipment	3,250,373	322,244		3,572,617
Vehicles and motor equipment	2,446,077	301,116	209,812	2,537,381
Total accumulated depreciation	<u>26,333,064</u>	<u>1,952,686</u>	<u>209,812</u>	<u>28,075,938</u>
Total capital assets being depreciated, net	<u>35,513,574</u>			<u>34,561,326</u>
Governmental activity capital assets, net	<u><u>\$ 40,456,831</u></u>			<u><u>\$ 40,454,583</u></u>

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

General government	\$ 424,941
Public safety	607,748
Transportation	492,543
Economic and physical development	33,025
Human services	134,186
Cultural and recreational	260,243
Total depreciation expense	<u><u>\$ 1,952,686</u></u>

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES:				
Environmental Services				
Capital assets not being depreciated:				
Land	\$ 492,906	\$ -	\$ -	\$ 492,906
Construction in Progress				
Total cap assets not being depreciated	<u>\$ 492,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,906</u>
Capital assets being depreciated:				
Building	246,698			246,698
Plant and distribution systems	4,796,148	286,680		5,082,828
Equipment	5,352,079	13,477		5,365,556
Total capital assets being depreciated	<u>10,394,925</u>	<u>300,157</u>	<u>-</u>	<u>10,695,082</u>
Less accumulated depreciation for:				
Building	97,980	5,708		103,688
Plant and distribution systems	1,484,294	109,572		1,593,866
Equipment	2,430,128	276,449		2,706,577
Total accumulated depreciation	<u>4,012,402</u>	<u>391,729</u>	<u>-</u>	<u>4,404,131</u>
Total cap assets being depreciated, net	<u>\$ 6,382,523</u>			<u>\$ 6,290,951</u>
Environmental services capital assets, net	<u><u>\$ 6,875,429</u></u>			<u><u>\$ 6,783,857</u></u>

Construction commitments

The County is currently assisting in the expansion of Wilkes Community College/Ashe Campus as of June 30, 2021 . The project, owned by Wilkes Community College, totaled \$12 million dollars. Ashe County committed \$8 million toward the project. Ashe County as of June 30th, has an outstanding commitment of \$1,309,050. Financing was approved by the LGC July 7, 2020 and loan funds were secured in July as well. The project was completed in the fall of 2021.

B. Liabilities

1. Payables

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

	Vendors	Salaries and Benefits	Accrued Interest	Advances from Grantors	Total
Governmental Activities:					
General	\$ 707,288	\$ -	\$ 10,060	\$ -	\$ 717,348
Other Governmental	88,976		16,781	2,641,932	2,747,689
Total-governmental activities	<u>\$ 796,264</u>	<u>\$ -</u>	<u>\$ 26,841</u>	<u>\$ 2,641,932</u>	<u>\$ 3,465,037</u>
Business-type Activities					
Environmental services	\$ 251,576	\$ -	\$ 16,953	\$ -	\$ 268,529
Total-business-type activities	<u>\$ 251,576</u>	<u>\$ -</u>	<u>\$ 16,953</u>	<u>\$ -</u>	<u>\$ 268,529</u>

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2. Pension Plan and Other Postemployment Obligations

a. Local Government 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 the Office of the State Controller, 1410 Mail Services Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided . LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic 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. The 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 contractually required contribution rate for the year ended June 30, 2021, was 10.210% of compensation for law enforcement officers and 10.840% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,100,473 for the year ended June 30, 2021.

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

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (LGERS)

At June 30, 2021, the County reported a liability of \$5,359,424 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.14998% which was an increase of 0.00411% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$1,898,120. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>LGERS:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 676,801	\$ -
Changes of assumptions	398,846	
Net difference between projected and actual earnings on pension plan investments	754,196	
Changes in proportion and differences between County contributions and proportionate share of contributions	131,520	2,974
County contributions subsequent to the measurement date	1,092,675	
Total	\$ 3,054,038	\$ 2,974

The \$1,092,675 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	563,134
2023	727,075
2024	444,977
2025	223,203
2026	
Thereafter	
Total	\$ 1,958,389

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Actuarial Assumptions . The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rate 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Discount rate . The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and that contribution 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 proportionate share of the net pension asset to changes in the discount rate . The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 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 one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 10,873,688	\$ 5,359,424	\$ 776,683

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.

b. Law Enforcement Officers Special Separation Allowance (LEOSSA)

1. *Plan Description*

Ashe 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 County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	32
Total	34

2. *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 basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. Actuarial Assumptions

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

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

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

Mortality rates use Pub-2010 amount-weighted tables projected from 2010 using generational improvement with Scale MP - 2019.

4. 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. Administration costs of the Separation allowance are financed through investment earnings. The County paid \$40,489 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability \$836,239. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$99,348.

<u>LEOSSA:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,717	\$ 36,991
Changes of assumptions	250,972	10,699
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	20,245	
Total	<u>\$ 321,934</u>	<u>\$ 47,690</u>

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The County paid \$20,245 in benefit payments 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Outflows	Inflows	Increase/ Decrease
2022	\$ 64,723	\$ 18,561	\$ 46,162
2023	61,828	18,561	43,267
2024	45,422	9,072	36,350
2025	45,422	1,077	44,345
2026	43,917	419	43,498
Thereafter	40,377	-	40,377
Total	301,689	47,690	253,999

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 915,716	\$ 836,239	\$ 793,950

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

	2021
Beginning balance	\$ 526,078
Service cost	36,047
Interest on the total pension liability	16,490
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	33,103
Changes of assumption or other inputs	265,010
Benefit payments	(40,489)
Other changes	-
Ending balance of total pension liability	\$ 836,239

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

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

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The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income 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 GAS. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Non-law enforcement employees can also participate. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions by the County for the year ended June 30, 2021 were \$71,245 for law enforcement officers and \$274,191 for non-law enforcement employees. No amounts were forfeited.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Ashe County also contributes to the Register of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefits 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 Registers of Deeds' Supplemental Pension Fund 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 the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 29699-1410, by calling (919)981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,898 for the year ended June 30, 2021.

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (RODSPF)

At June 30, 2021, the County reported an asset of \$75,822 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 0.33084% which was a increase of 0.032780% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of (\$1,754). At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
RODSPF:		
Differences between expected and actual experience	\$ -	\$ 1,545
Changes in assumptions	-	
Net difference between projected and actual earnings on pension plan investments	-	6,488
Changes in proportion and difference between County contributions and proportionate share of contributions	4,754	4,150
County contributions subsequent to the measurement date	3,898	
Total	\$ 8,652	\$ 12,183

The \$3,898 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expenses as follows:

Year ended June 30:	
2022	\$ (825)
2023	(2,041)
2024	(2,928)
2025	(1,634)
2026	
Thereafter	
Total	\$ (7,428)

ASHE COUNTY, NORTH CAROLINA
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Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, included inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markers 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 expectation of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30 years expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.

The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

ASHE COUNTY, NORTH CAROLINA
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	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
ROD			
County's proportionate share of the net pension asset (liability)	\$ 64,401	\$ 75,822	\$ 85,486

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.

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

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

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 5,359,424	\$ (75,822)		\$ 5,283,602
Proportion of the Net Pension Liability (Asset)	0.14998%	0.33084%	n/a	
Total Pension Liability	-	-	\$ 836,239	\$ 836,239
Pension Expense	\$ 1,898,120	\$ (1,754)	\$ 99,348	\$ 1,995,714

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

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows Resources</u>				
Difference between expected and actual experience	\$ 676,801	\$ -	\$ 50,717	\$ 727,518
Changes of assumptions	398,846	-	250,972	649,818
Net difference between projected and actual earnings on pensions plan investments	754,196		-	754,196
Changes in proportion and differences between County contributions and proportionate share of contributions	131,520	4,754		136,274
County contributions (LGERS, ROD)/ benefit payments and administration cost (LEOSSA) subsequent to the measurement date	1,092,675	3,898	20,245	1,116,818
Totals	3,054,038	8,652	321,934	3,384,624

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Deferred Inflows of Resources

Difference between expected and actual experience	\$	-	\$	1,545	\$	36,991	\$	38,536
Changes of assumptions		-		-		10,699		10,699
Net difference between projected and actual earnings on pension plan investments				6,488				6,488
Changes in proportion and differences between County contributions and proportionate share of contributions		2,974		4,150		-		7,124
Total	\$	<u>2,974</u>	\$	<u>12,183</u>	\$	<u>47,690</u>	\$	<u>62,847</u>

f. Other Postemployment Benefits

Healthcare Benefits

Plan Description . Under the terms of the County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The County Commissioners have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided . The County pays the full cost of coverage of employees' benefits through private insurers for employees who retire with a minimum of 25 years of creditable service. Employees who retire with less than 25 years of service are not eligible for postemployment coverage. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be terminated after qualifying for Medicare. The County Commissioners may amend the benefit provisions. As separate report was not issued for the plan.

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

<u>HCB</u>	General	Law	
	Employees:	Enforcement	Totals:
	-	Officers:	-
Retirees and dependents receiving benefits	13	2	15
Terminated plan members entitled to but not yet receiving benefits	-	-	-
Active plan members	198	32	230
Total	<u>211</u>	<u>34</u>	<u>245</u>

Total OPEB Liability

The County's total OPEB liability of \$9,561,840 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5 percent
Wage Inflation	3.5 percent
Salary increases, including wage inflation:	
General Employees	3.50 percent - 7.75 percent
Law Enforcement Officers	3.50 percent - 7.35 percent
Municipal Bond Index Rate	Prior Measurement date 3.50 percent Measurement date 2.21 percent
Healthcare cost trend rates	Medical and Prescription - 7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030.

The Municipal Bond Index Rate is based on the June average of the Bond Buyer 20 year General Obligation Bond Index published weekly by The Bond Buyer.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$ 8,286,956
Changes for the year	
Service cost	398,465
Interest	299,783
Changes of benefit terms	-
Differences between expected and actual experience	(407,522)
Changes in assumptions or other inputs	1,226,600
Benefit payments	(242,442)
Net changes	<u>1,274,884</u>
Balance at June 30, 2020	<u><u>\$ 9,561,840</u></u>

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 thru December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1 % Increase</u>
	<u>(1.21%)</u>	<u>(2.21%)</u>	<u>(3.21%)</u>
Total OPEB liability	\$ 10,618,633	\$ 9,561,840	\$ 8,615,134

Sensitivity of the total OPEB liability to changes in the 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 or 1-percentage-point high than the current healthcare cost trend rates:

ASHE COUNTY, NORTH CAROLINA
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	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 8,342,310	\$ 9,561,840	\$ 11,029,962

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

For the year ended June 30, 2021 the County recognized OPEB expense of \$858,707. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 283,959	\$ -
Changes of Assumptions	974,681	
Benefit payments and administrative costs made subsequent to the measurement date	234,515	
Total	\$ 1,493,155	\$ -

\$234,515 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 160,459
2023	160,459
2024	160,459
2025	179,579
2026	205,967
Thereafter	391,717
Total	\$ 1,258,640

g. 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. The County has no liability beyond the payment of monthly contributions. 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. 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 considers these contributions to be immaterial.

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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3. Closure and Post Closure Care Costs - Ashe County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its Ashe County Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as a operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,698,388 reported as landfill closure and post closure care liability at June 30, 2021 represents a cumulative amount reported to-date based on the historical use rate of 3.7 percent of the total estimated capacity of the landfill per year, adjusted this year to reflect an approximate remaining life of 8 years as of 6/30/2021. The County will recognize \$1,767,644 (for a total of \$5,466,032), as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2020. The County expects to close the Ashe County facility in the year 2029. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and post closure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and post closure care costs.

4. 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 one self-funded risk-financing pool administered by the North Carolina Association of County Commissioners for liability and property insurance, as well as Workers' Compensation coverage up to the statutory limit of \$2,000,000. The pool is audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The County obtains property coverage equal to replacement cost values of owned property subject to a blanket limit of \$67,380,649; general, auto, professional, and employment practices liability coverage of \$2 million per occurrence; auto physical damage coverage for owned autos at actual cash value; and crime coverage of \$250,000 per occurrence. The County provides health insurance to employees through the State Health Plan which is operated by the State of North Carolina and governed by G.S 135-48.1 Article 3-B. The State currently contracts with Blue Cross Blue Shield of North Carolina. There is no maximum stop loss in this plan. There is an unlimited lifetime maximum. Dental insurance is provided to employees through a private provider, Delta Dental.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because many areas in the county are in an area of the State that has been mapped and designated a floodplain by the Federal Emergency Management Agency (FEMA), the County is eligible to purchase coverage of \$500,000 per structure through NFIP. The County has purchased commercial flood insurance for \$500,000 of coverage for the applicable structures.

In accordance with G. S. 159-29, the County employees who have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance and Tax Collector are individually bonded for \$500,000 each. The remaining employees who have access to funds are bonded under a blanket bond for \$250,000.

The County carries commercial coverage for all other risks of loss. Settled claims have not exceeded coverage in any of the past three fiscal years.

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

5. Contingent Liabilities

At June 30, 2021, the County was defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

6. Long-Term Obligations

a. Installment Purchases

The County is obligated under the following installment purchase contracts:

Serviced by the General Fund:

a.	Ashe County entered into an installment financing contract for \$239,867 dated September 28, 2020 with First Citizens Bank, to supply the Ashe County Sheriff's Office with 35 handheld viper radios (collateral). The County shall repay this balance in 12 semiannual payments of \$25,350 including interest at 2.01% beginning March 29, 2021. In the event of default, the lender may demand full payment. The balance at June 30, 2021 was	\$ 216,927
b.	Ashe County entered into an installment financing contract for \$400,000 dated September 11, 2020 with Skyline Telephone Membership Corporation, Inc. to enable the County to purchase land for an Industrial Park (collateral). The County shall repay this balance in 8 annual payments of \$50,000, beginning September 11, 2022 This is a 0% interest loan. In the event of default, the lender may demand payment, plus interest at a rate of 8% after default. The balance at June 30, 2021 was	400,000
c.	Ashe County entered into an installment financing contract for \$13,150,000 dated July 17, 2020 with Sterling National Bank. The contract enabled The County to finance the acquisition, construction and equipping of a classroom and laboratory facility for the Ashe Campus of Wilkes Community College, refinance prior installment financings (the proceeds of which were applied to the acquisition, construction and equipping of a law enforcement and detention center), and pay certain costs related to the execution and delivery of an Installment Financing Contract between the County and Sterling National Bank. The County shall repay this balance in 20 annual payments of varying amounts (from \$425,000 to \$1,175,000) plus interest at 2.500% (paid semiannually) beginning December 1, 2020. In the event of default, the lender may demand payment, or begin court action to exercise deed of trust and force sale. The balance at June 30, 2021 was	12,450,000
d.	Ashe County entered into an installment financing contract for \$440,643 dated December 14, 2017 with First Citizens Bank. Of this amount, \$440,643 is to supply the Ashe County Emergency Services with a new two-way Simulcast communications system (collateral). The County shall repay this balance in 6 annual payments of \$91,671 including interest at 2.01% beginning December 14, 2017. In the event of default, the lender may demand full payment. The balance at June 30, 2021 was	89,864
	Total	\$ 13,156,791

Serviced by the Environmental Services Fund:

a.	Ashe County entered into an installment financing contract for \$557,000 dated February 28, 2019 with First Citizens Bank, to enable the County to purchase a new Track Loader and Garbage Truck for Environmental Services (collateral). The County shall repay this balance in 3 annual payments of \$194,663 including interest at 3.13% beginning September 15, 2019. In the event of default, the lender may demand full payment. The balance at June 30, 2021 was	\$ 188,755
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ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

- b. Ashe County entered into an installment financing contract for \$747,547 dated December 2, 2019 with First National Bank, to enable the County to purchase a new Landfill Compactor for Environmental Services (collateral). The County shall repay this balance in 5 annual payments of \$159,380 including interest at 2.14% beginning July 20, 2020. In the event of default, the lender may demand full payment.

The balance at June 30, 2021 was

Total

	598,565
\$	787,320

The future minimum payments as of June 30, 2021 for the County's installment purchases, including interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,311,439	\$ 317,184	\$ 335,148	\$ 18,895
2023	1,267,515	285,062	149,569	9,811
2024	1,258,475	254,852	152,815	6,566
2025	1,254,454	224,872	149,787	3,258
2026	1,219,908	195,000		
2027-2031	3,025,000	654,000		
2032-2036	2,120,000	371,625		
2037-2041	1,700,000	106,250		
Total Principal Payments	\$ 13,156,791		\$ 787,319	
Total Interest Payments		\$ 2,408,845		\$ 38,530

b. Debt Related to Capital Activities

Of the total Governmental Activities debt listed, \$5,101,791 relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$1,309,050. The County also has an agreement to repay the Ashe County Job Development \$300,000 at 0% interest for its assistance in purchasing land for future economic development. The County will repay ACJD when the cumulative lot sales are \$300,000 or greater.

c. Long-Term Obligation Activities

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

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
<u>Governmental activities:</u>					
Direct placement					
installment purchases	\$ 5,456,719	\$ 13,789,867	\$ 6,089,795	\$ 13,156,791	\$ 1,311,439
Compensated absences	732,128	345,716	305,833	772,011	
Net pension liab. (LGERS)	3,732,231	1,302,948	-	5,035,179	
Net pension liab. (LEO)	526,078	310,161	-	836,239	
Net OPEB liability	7,793,265	1,184,347		8,977,612	
Other long-term debt		300,000		300,000	
Total govern. activities	\$ 18,240,421	\$ 17,233,039	\$ 6,395,628	\$ 29,077,832	\$ 1,311,439

ASHE COUNTY, NORTH CAROLINA
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	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
<u>Business-type activities:</u>					
Direct placement					
installment purchases	\$ 1,119,327	\$ -	\$ 332,008	\$ 787,319	\$ 335,148
Accrued landfill closure and post closure care costs	3,373,388	325,000		3,698,388	
Compensated absences	60,925	33,721	29,892	64,754	
Net pension liab. (LGERS)	251,222	73,023		324,245	
Net OPEB liability	493,691	90,876		584,567	
 Total bus-type activities	<u>\$ 5,298,553</u>	<u>\$ 522,620</u>	<u>\$ 361,900</u>	<u>\$ 5,459,273</u>	<u>\$ 335,148</u>

d. Conduit Debt Obligations

Ashe County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activities

Transfer to / from other funds

Transfers to / from other funds at June 30, 2021, consists of the following:

From the General Fund to the Economic Development Capital Projects Fund for Capital Projects	\$ 194,270
From the General Fund to the Government Buildings Capital Project Fund for Various Projects	601,581
From the General Fund to the School Capital Projects Fund for School Capital Projects/Debt Svc	1,871,900
From the General Fund to the Emergency Telephone System Fund for Expense Reimbursement	102,651
To the General Fund from the Economic Development Capital Projects Fund for Capital Outlay	540,000
To the General Fund from the Capital Projects Fund for Public Buildings	200,000
To the General Fund from the School Capital Projects Fund for Debt Service	5,062,500
Total Transfers	<u>\$ 8,572,902</u>

Reimbursements to/from Other Funds at June 30, 2021

Reimbursements from the Coronavirus Relief Fund to General Fund for Law Enforcement Wages	\$ 331,111
Reimbursements from Emergency Telephone System Fund to General Fund for Public Safety Exp.	25,905
Total Reimbursements	<u>\$ 357,016</u>

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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D. Net Investment in Capital Assets

Net investment in capital assets is calculated as follows:

	Governmental Activities	Business-Type Activities
Total capital assets net of depreciation	\$ 40,454,583	\$ 6,783,860
Debt for assets to which the County holds title	(5,101,791)	(787,319)
Net investment in capital assets	\$ 35,352,792	\$ 5,996,541

E. 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	\$ 15,294,003
Less:	
Stabilization by State Statute	2,655,626
Appropriated Fund Balance in 2022 budget	2,972,327
Register of Deeds	137,269
Tax Revaluation	110,534
Human Services	55,772
Remaining Fund Balance	\$ 9,362,475

IV. Volunteer Fire Departments

The County is not responsible for any debts of the volunteer fire departments, is not obligated to finance deficits and is not entitled to any surpluses of the departments. Fire district tax levies were made for twelve volunteer fire department in the County during the fiscal year ended June 30, 2021. These special fire district taxes were collected by the County and remitted to the twelve volunteer fire departments. These taxes are accounted for in a separate custodial fund. The County Commissioners appoint Fire Protection District Commissions which report to the County regarding the expenditure of the tax monies.

The County makes an appropriation to each volunteer fire department in the County; some of the expenditures are made directly to vendors for obligations of the fire departments which are submitted to and approved by the County Finance Officer; in other instances direct payments are made to the fire departments in order for them to make note or installment contract payments. The County does not exercise control over facilities or property of the fire departments nor is there asset ownership by the County.

V. Joint Ventures

The County participates in a joint venture to operate Appalachian Regional Library with three other local governments. Each participating government appoints one board member to the six member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$512,335 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's offices at 148 Library Drive, West Jefferson, North Carolina 28694.

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The County also participates in a joint venture to operate the Appalachian District Health Department with three other local governments. Each participating government appoints one board member to the member board of the Health Department. The County has an ongoing financial responsibility for the joint venture because the Health Department continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Health Department, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$592,610 to the Center's to supplement its activities. Complete financial statements for the Health Department can be obtained from the Department's offices at P.O. Box 309, Sparta, NC 28675.

The County also participates in a joint venture to operate the Smoky Mountain Center with fifteen other local governments. Each participating government appoints one at-large member and one county commissioner member to the board of the Center. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have an equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$182,079 to the Center to supplement its activities. Complete financial statements for Smoky Mountain Center can be obtained from the Center's offices at 895 State Farm Road, Suite 507, Boone, NC 28607. More information can be found at Note VIII.

The County, in conjunction with the State of North Carolina and the Ashe County Board of Education, participates in a joint venture to operate the Wilkes Community College. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the Ashe County Facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$484,304 to the community college for operating purposes, and \$5,852,550 for Capital Outlay during the fiscal year ended June 30, 2021. 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, 2021. Complete financial statements for the community college may be obtained from the community college's administrative offices at Collegiate Drive, Wilkesboro, NC 28697.

VI. Jointly Governed Organization

High Country Council of Governments

The High Country Council of Governments is a voluntary association of seven County governments. The Council was established as a joint venture among the participating Counties to coordinate funding from federal and State agencies. The participating Counties and their percent of support provided to the Council are as follows: Ashe - 13%; Allegheny - 6%; Avery - 9%; Mitchell - 9%; Watauga - 19%, Wilkes - 35%; Yancey - 9%.

Each County appoints one member to the Council's governing board, whose responsibilities include approving the budget and designating the management of the Council. The County paid for membership fees of \$19,042 to the Council during the year ended June 30, 2021.

VII. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, that cause benefit payments to be

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

issued by the State. This additional aid to County recipients is disclosed in the amounts below which do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families and AS, AA & AD	\$ 67,716	\$ -
Medicaid	37,758,005	14,835,205
NC Health Choice	942,087	187,031
Food Stamp Program	9,688,143	
Title IV-E, Foster Care	276,833	366,904
Title IV-E, Adoption Assistance	204,317	71,940
Adult Assistance		228,367
Women, Infants, and Children	357,727	
Independent Living	15,981	
Adult Assistance (COVID)		107,375
Total	<u>\$ 49,310,809</u>	<u>\$ 15,796,822</u>

VIII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to 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.

IX. Change in Accounting Principle

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

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

ASHE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Governmental Activities Net Position - Increase (Decrease)	General Fund Balance Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
Cash related to funds held on behalf of incarcerated inmates was reclassified from the Agency Fund into fiduciary net position in a newly created Jail Inmate Custodial Fund.	\$ -	\$ -	\$ -	\$ 49,820
Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various fire districts were reclassified out of the Agency Fund into a newly created Fire Districts Tax Custodial Fund. The reclassification did not result in a restatement of fund balance.	-	-	-	-
Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund to newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.	85,239	-	85,239	-
Cash and liabilities related to deed of trust fees collected required to be remitted to the State of North Carolina were reclassified out of the General Fund into a newly created Deed of Trust Special Revenue Fund. The reclassifications did not result in a restatement of fund balance.	-	-	-	-
	\$ 85,239	\$ -	\$ 85,239	\$ 49,820

IX. Subsequent Events

Subsequent events have been evaluated through the date these financial statements were available to be issued, February 9, 2022.

Required Supplemental Financial Data

- * Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- * Schedule of Contributions to Local Government Employees' Retirement System
- * Schedule of Proportionate Share of Net Pension Asset for Register of Deeds Supplemental Pension Fund
- * Schedule of Contributions to Register of Deeds Supplemental Pension Fund
- * Schedule of Changes in Total Pension Liability Law Enforcement Special Separation Allowance
- * Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll for Law Enforcement
- * Schedule of Changes in the Total OPEB Liability and Related Ratios

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (LGERS)
LAST EIGHT FISCAL YEARS*

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	<u>2021</u> <u>(6/30/20)</u>	<u>2020</u> <u>(6/30/19)</u>	<u>2019</u> <u>(6/30/18)</u>	<u>2018</u> <u>(6/30/17)</u>	<u>2017</u> <u>(6/30/16)</u>	<u>2016</u> <u>(6/30/15)</u>	<u>2015</u> <u>(6/30/14)</u>	<u>2014</u> <u>(6/30/13)</u>
Ashe County's proportion of the net pension liability (asset) (%)	0.14998%	0.14587%	0.13675%	0.14176%	0.14001%	0.14352%	0.14383%	0.14100%
Ashe County's proportion of the net pension liability (asset) (\$)	\$ 5,359,424	\$ 3,983,596	\$ 3,244,178	\$ 2,165,700	\$ 2,971,481	\$ 644,109	\$ (793,824)	\$ 1,699,591
Ashe County's covered-employee payroll	\$ 10,450,563	\$ 10,051,324	\$ 9,357,435	\$ 9,144,990	\$ 9,000,974	\$ 8,680,657	\$ 8,468,587	\$ 8,145,582
Ashe County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	51.28%	39.63%	34.67%	23.68%	33.01%	7.42%	(9.37%)	20.87%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

** This will be the same percentage for all participant employers in the LGERS plan.

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS (LGERS)
LAST EIGHT FISCAL YEARS

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,092,675	\$ 951,955	\$ 795,171	\$ 717,571	\$ 680,014	\$ 613,647	\$ 617,984	\$ 601,325
Contributions in relation to the contractually required contribution	<u>1,092,675</u>	<u>951,955</u>	<u>795,171</u>	<u>717,571</u>	<u>680,014</u>	<u>613,647</u>	<u>617,984</u>	<u>601,325</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ashe County's covered-employee payroll	\$ 10,687,980	\$ 10,450,563	\$ 10,051,324	\$ 9,357,435	\$ 9,144,990	\$ 9,000,974	\$ 8,680,657	\$ 8,468,587
Contributions as a percentage of covered-employee payroll	10.22%	9.11%	7.91%	7.67%	7.44%	6.82%	7.12%	7.10%

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (ROD)
LAST EIGHT FISCAL YEARS*

REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND

	<u>2021</u> <u>(6/30/20)</u>	<u>2020</u> <u>(6/30/19)</u>	<u>2019</u> <u>(6/30/18)</u>	<u>2018</u> <u>(6/30/17)</u>	<u>2017</u> <u>(6/30/16)</u>	<u>2016</u> <u>(6/30/15)</u>	<u>2015</u> <u>(6/30/14)</u>	<u>2014</u> <u>(6/30/13)</u>
Ashe County's proportion of the net pension liability (asset) (%)	0.33084%	0.29806%	0.34716%	0.34341%	0.35570%	0.35099%	0.33547%	0.33261%
Ashe County's proportion of the net pension liability (asset) (\$)	\$ (75,822)	\$ (58,843)	\$ (57,500)	\$ (58,617)	\$ (66,502)	\$ (81,338)	\$ (76,038)	\$ (71,045)
Ashe County's covered-employee payroll	\$ 71,013	\$ 67,935	\$ 65,955	\$ 63,411	\$ 62,166	\$ 60,066	\$ 59,469	\$ 63,300
Ashe County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(106.77%)	(86.62%)	(87.18%)	(92.44%)	106.97%	135.41%	(127.86%)	(112.24%)
Plan fiduciary net position as a percentage of the total pension liability	(173.62%)	164.11%	153.31%	153.77%	106.17%	197.29%	193.88%	190.50%

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

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS (ROD)
LAST EIGHT FISCAL YEARS

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,898	\$ 3,168	\$ 2,833	\$ 2,971	\$ 2,984	\$ 2,906	\$ 2,809	\$ 2,739
Contributions in relation to the contractually required contribution	<u>3,898</u>	<u>3,168</u>	<u>2,833</u>	<u>2,971</u>	<u>2,984</u>	<u>2,906</u>	<u>2,809</u>	<u>2,739</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ashe County's covered-employee payroll	\$ 71,013	\$ 71,013	\$ 67,935	\$ 65,955	\$ 63,411	\$ 62,166	\$ 60,066	\$ 59,469
Contributions as a percentage of covered-employee payroll	5.40%	4.46%	4.17%	4.50%	4.71%	4.67%	4.68%	4.61%

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 526,078	\$ 508,267	\$ 566,036	\$ 432,049	\$ 401,379
Service Cost	36,047	31,660	28,627	33,573	29,018
Interest On The Total Pension Liability	16,490	17,764	17,624	16,125	14,303
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected And Actual Experience					
In The Measurement Of The Total Pension Liability	33,103	(6,881)	(70,982)	70,776	-
Changes Of Assumptions Or Other Inputs	265,010	15,757	(16,412)	42,135	(11,209)
Benefit Payments	(40,489)	(40,489)	(16,626)	(28,622)	(1,442)
Other Changes	-	-	-	-	-
Ending Balance Of The Total Pension Liability	<u>\$ 836,239</u>	<u>\$ 526,078</u>	<u>\$ 508,267</u>	<u>\$ 566,036</u>	<u>\$ 432,049</u>

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

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 836,239	\$ 526,078	\$ 508,267	\$ 566,036	\$ 432,049
Covered Payroll	\$ 1,456,654	\$ 1,315,775	\$ 1,418,836	\$ 1,456,412	\$ 1,131,985
Total Pension Liability as a Percentage of Covered Payroll	57.41%	39.98%	35.82%	38.87%	38.17%

Notes to the schedules:

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

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2021

Total OPEB Liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 398,465	\$ 366,515	\$ 341,647	\$ 370,800
Interest	299,783	289,761	231,031	196,643
Changes of Benefit Terms			-	-
Differences between expected and actual experience	(407,522)	(4,775)	940,524	60,135
Changes of assumptions	1,226,600	325,612	(262,884)	(405,079)
Benefit payments	<u>(242,442)</u>	<u>(275,413)</u>	<u>(306,716)</u>	<u>(226,021)</u>
Net change in total OPEB liability	1,274,884	701,700	943,602	(3,522)
Total OPEB liability - beginning	<u>8,286,956</u>	<u>7,585,256</u>	<u>6,641,654</u>	<u>6,645,176</u>
Total OPEB liability - ending	<u>\$ 9,561,840</u>	<u>\$8,286,956</u>	<u>\$7,585,256</u>	<u>\$6,641,654</u>
Covered Payroll	\$ 9,873,411	\$9,203,269	\$9,203,269	\$8,626,036
Total OPEB liability as a percentage of covered payroll	96.84%	90.04%	82.42%	77.00%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Ad Valorem Taxes			
Current Year	\$ -	\$ 18,136,142	\$ -
Prior Years		893,125	
Penalties & Interest		456,350	
Total	<u>\$ 18,014,778</u>	<u>\$ 19,485,617</u>	<u>\$ 1,470,839</u>
Local Option Sales Taxes:			
Article 39	\$ -	\$ 3,650,192	\$ -
Article 44		589,630	
Article 40 One-Half of One Percent		2,194,333	
Article 42 One-Half of One Percent		1,903,421	
Article 46 One-Fourth of One Percent		954,718	
Total	<u>\$ 8,708,000</u>	<u>\$ 9,292,294</u>	<u>\$ 584,294</u>
Other Taxes			
Video Programming Distribution	\$ -	\$ 73,318	\$ -
Gross Receipts Auto Tax		2,623	
Occupancy Tax		598,233	
Deed Stamp Excise Tax		303,160	
Medicaid Hold Harmless		72,307	
Total	<u>\$ 815,030</u>	<u>\$ 1,049,641</u>	<u>\$ 234,611</u>
Unrestricted Intergovernmental Revenues			
Payments in Lieu of Taxes	\$ -	\$ 5,547	\$ -
Total	<u>\$ -</u>	<u>\$ 5,547</u>	<u>\$ 5,547</u>
Restricted Intergovernmental Revenues			
State Grants	\$ -	\$ 1,037,734	\$ -
Federal Grants		4,722,142	
Controlled Substance Tax		4,330	
Court Facility Fees		17,293	
ABC Profits for Law Enforcement		7,487	
Total	<u>\$ 5,967,311</u>	<u>\$ 5,788,986</u>	<u>\$ (178,325)</u>
Licenses & Permits			
Gun Permits	\$ -	\$ 38,235	\$ -
Planning Department Fees		1,600	
Sheriff Department Fees and Reimb		10,971	
Building Permits/Inspection Fees		202,915	
Privilege Licenses		1,730	
Road Signs		300	
Animal License & Adoption Fee		8,211	
Register of Deeds		218,836	
Total	<u>\$ 370,665</u>	<u>\$ 482,798</u>	<u>\$ 112,133</u>

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Sales & Services			
Commercial Kitchen Usage Fees	\$ -	\$ 5,863	\$ -
DSS Fees and Other Sales		3,853	
Sheriff Dept Sales & Services		75	
Sheriff Dept & SRO Program from BOE		91,920	
Rents & Concessions		228,964	
Court Costs		35,060	
Jail Fees & Inmate Reimb. From other Counties		380,473	
Drug Fines & Forfeitures		37,848	
Recreational Department		26,775	
Airport Revenues		154,395	
DMV Fees		124,878	
Tax Collection Fees		2,176	
Copy Fees & Other Sales		14,789	
E911 Special Revenue Reimb		25,905	
Town Election Reimb		-	
Candidate Filing Fee		101	
Total	<u>\$ 1,039,523</u>	<u>\$ 1,133,075</u>	<u>\$ 93,552</u>
Investment Earnings			
Investment Earnings	\$ -	\$ 13,044	\$ -
Total	<u>\$ 100,170</u>	<u>\$ 13,044</u>	<u>\$ (87,126)</u>
Miscellaneous			
Insurance Proceeds	\$ -	\$ 31,186	\$ -
Sale of Assets & Materials		33,241	
Other Grants & Donations		659	
Total	<u>\$ -</u>	<u>\$ 65,086</u>	<u>\$ 65,086</u>
TOTAL REVENUES	<u>\$ 35,015,477</u>	<u>\$ 37,316,088</u>	<u>\$ 2,300,611</u>
EXPENDITURES			
General Government			
Governing Body			
Salaries & Employee Benefits	\$ -	\$ 108,858	\$ -
Operating Expenses		121,123	
Capital Outlay			
Total	<u>\$ 241,069</u>	<u>\$ 229,981</u>	<u>\$ 11,088</u>
Administration			
Salaries & Employee Benefits	\$ -	\$ 231,967	\$ -
Operating Expenses		26,231	
Capital Outlay			
Total	<u>\$ 287,363</u>	<u>\$ 258,198</u>	<u>\$ 29,165</u>
Finance			
Salaries & Employee Benefits	\$ -	\$ 372,483	\$ -
Operating Expenses		56,212	
Capital Outlay			
Total	<u>\$ 457,619</u>	<u>\$ 428,695</u>	<u>\$ 28,924</u>

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Tax Administration			
Salaries & Employee Benefits	\$ -	\$ 901,161	\$ -
Operating Expenses		267,788	
Capital Outlay		-	
Total	<u>\$ 1,259,790</u>	<u>\$ 1,168,949</u>	<u>\$ 90,841</u>
Elections			
Salaries & Employee Benefits	\$ -	\$ 137,789	\$ -
Operating Expenses		158,996	
Capital Outlay			
Total	<u>\$ 371,755</u>	<u>\$ 296,785</u>	<u>\$ 74,970</u>
Register of Deeds			
Salaries & Employee Benefits	\$ -	\$ 377,523	\$ -
Operating Expenses		87,612	
Capital Outlay			
Total	<u>\$ 491,226</u>	<u>\$ 465,135</u>	<u>\$ 26,091</u>
Legal			
Contracted Services	\$ -	\$ 314,912	\$ -
Total	<u>\$ 332,675</u>	<u>\$ 314,912</u>	<u>\$ 17,763</u>
Data Processing (IT)			
Salaries & Employee Benefits	\$ -	\$ 274,888	\$ -
Operating Expenses		140,891	
Capital Outlay		17,243	
Total	<u>\$ 517,315</u>	<u>\$ 433,022</u>	<u>\$ 84,293</u>
Courts			
Operating Expenses	\$ -	\$ 29,629	\$ -
Capital Outlay			
Total	<u>\$ 33,500</u>	<u>\$ 29,629</u>	<u>\$ 3,871</u>
Public Buildings			
Salaries & Employee Benefits	\$ -	\$ 437,896	\$ -
Operating Expenses		1,144,522	
Capital Outlay		-	
Total	<u>\$ 1,689,960</u>	<u>\$ 1,582,418</u>	<u>\$ 107,542</u>
<i>Total General Government</i>	<u>\$ 5,682,272</u>	<u>\$ 5,207,724</u>	<u>\$ 474,548</u>
Public Safety			
Law Enforcement			
Salaries & Employees Benefits	\$ -	\$ 2,408,153	\$ -
Operating Expenses		411,691	
Capital Outlay		126,222	
Total	<u>\$ 3,030,974</u>	<u>\$ 2,946,066</u>	<u>\$ 84,908</u>

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Corrections			
Salaries & Employee Benefits	\$ -	\$ 1,507,479	\$ -
Operating Expenses		701,454	
Capital Outlay		54,662	
Total	<u>\$ 2,418,567</u>	<u>\$ 2,263,595</u>	<u>\$ 154,972</u>
Ambulance & Rescue			
Ambulance Service - Contracted	\$ -	\$ 988,860	\$ -
Donation to Community Ambulance Services		20,000	
Rescue Unit		50,000	
Total	<u>\$ 1,058,860</u>	<u>\$ 1,058,860</u>	<u>\$ -</u>
Emergency Management			
Salaries & Employee Benefits	\$ -	\$ 133,317	\$ -
Operating Expenses		46,814	
Capital Outlay		-	
Total	<u>\$ 254,015</u>	<u>\$ 180,131</u>	<u>\$ 73,884</u>
Inspections			
Salaries & Employee Benefits	\$ -	\$ 336,913	\$ -
Operating Expenses		38,657	
Capital Outlay		-	
Total	<u>\$ 410,604</u>	<u>\$ 375,570</u>	<u>\$ 35,034</u>
Animal Control			
Salaries & Employee Benefits	\$ -	\$ 210,942	\$ -
Operating Expenses		46,394	
Capital Outlay			
Total	<u>\$ 284,412</u>	<u>\$ 257,336</u>	<u>\$ 27,076</u>
Fire			
Contracted and Professional Services	\$ -	\$ 112,717	\$ -
Contributions to Volunteer Fire Department		69,397	
Total	<u>\$ 190,365</u>	<u>\$ 182,114</u>	<u>\$ 8,251</u>
E911 Coordinator			
Salaries & Employee Benefits	\$ -	\$ -	\$ -
Operating Expenses		5,488	
Capital Outlay		-	
Total	<u>\$ 11,250</u>	<u>\$ 5,488</u>	<u>\$ 5,762</u>
Medical Examiner			
Contracted Services	\$ -	\$ 31,300	\$ -
Total	<u>\$ 31,750</u>	<u>\$ 31,300</u>	<u>\$ 450</u>
Communications			
Salaries & Employee Benefits	\$ -	\$ 595,103	\$ -
Operating Expenses		55,354	
Capital Outlay			
Total	<u>\$ 677,388</u>	<u>\$ 650,457</u>	<u>\$ 26,931</u>

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
E-911 Operations			
Operating Expenses	\$ -	\$ 59,717	\$ -
Capital Outlay		-	
Total	<u>\$ 74,140</u>	<u>\$ 59,717</u>	<u>\$ 14,423</u>
<i>Total Public Safety</i>	<u>\$ 8,442,325</u>	<u>\$ 8,010,634</u>	<u>\$ 431,691</u>
Transportation			
Airport			
Salaries & Employee Benefits	\$ -	\$ 81,782	\$ -
Operating Expenses		165,730	
Capital Outlay		-	
<i>Total Transportation</i>	<u>\$ 293,990</u>	<u>\$ 247,512</u>	<u>\$ 46,478</u>
Economic & Physical Development			
Planning & Zoning			
Salaries & Employee Benefits	\$ -	\$ 147,782	\$ -
Operating Expenses		21,947	
Capital Outlay		-	
Total	<u>\$ 199,495</u>	<u>\$ 169,729</u>	<u>\$ 29,766</u>
Economic Development			
Salaries & Employee Benefits	\$ -	\$ 81,806	\$ -
Operating Expenses		69,144	
Capital Outlay		650,000	
Total	<u>\$ 997,141</u>	<u>\$ 800,950</u>	<u>\$ 196,191</u>
Cooperative Extension			
Salaries & Employee Benefits	\$ -	\$ 40,236	\$ -
Contracts		288,061	
Operating Expenses		53,925	
Capital Outlay		-	
Total	<u>\$ 438,669</u>	<u>\$ 382,222</u>	<u>\$ 56,447</u>
Soil Conservation			
Salaries & Employee Benefits	\$ -	\$ 114,075	\$ -
Operating Expenses		12,000	
Capital Outlay			
Total	<u>\$ 127,513</u>	<u>\$ 126,075</u>	<u>\$ 1,438</u>
Donations & Subsidies			
Industry Incentives	\$ -	\$ 110,000	\$ -
Ashe County Farmers Market		-	
Ashe County Chamber of Commerce		193,618	
Total	<u>\$ 295,916</u>	<u>\$ 303,618</u>	<u>\$ (7,702)</u>
<i>Total Economic & Physical Development</i>	<u>\$ 2,058,734</u>	<u>\$ 1,782,594</u>	<u>\$ 276,140</u>

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Human Services			
Health			
Contribution to District Health Dept.	\$ 592,611	\$ 592,610	\$ 1
Mental Health			
ABC Rehab Tax Distribution	\$ -	\$ 7,487	\$ -
Professional Services		678	
District Mental Health Dept.		182,079	
Total	<u>\$ 190,066</u>	<u>\$ 190,244</u>	<u>\$ (178)</u>
Social Services			
Administration			
Salaries & Employee Benefits	\$ -	\$ 5,322,782	\$ -
Operating Expenses		495,879	
Capital Outlay		114,163	
		<u>5,932,824</u>	
Aid to the Blind		\$ 916	
Food Stamp Issuance Cost		7,266	
Special Assistance to Adults		246,202	
Medicaid Transportation		88,590	
Foster Care & Boarding Home		1,018,207	
Crisis Intervention Payments		155,841	
Adult Day Care		74,182	
Adoption Expenditures		81,147	
Work First & TNF Expenditures		37,282	
Low Income Energy Assistance Payments		292,197	
Other 100% County SS Expense		99,202	
Total Social Services	<u>\$ 8,737,314</u>	<u>\$ 8,033,856</u>	<u>\$ 703,458</u>
Veterans Service Officer			
Salaries & Employee Benefits	\$ -	\$ 59,911	\$ -
Operating Expenses		2,045	
Capital Outlay			
Total	<u>\$ 64,785</u>	<u>\$ 61,956</u>	<u>\$ 2,829</u>
Donations and Subsidies			
JCPC Operational	\$ -	\$ 123,065	\$ -
Helton Community Center		10,000	
A Safe Home for Everyone		30,000	
Ashe Co. Transportation Authority		17,132	
Adult Developmental Activities Program		74,153	
Blue Ridge Opportunity Commission		5,000	
Project Graduation		5,000	
New River Senior Services		20,000	
Blue Ridge RC&D		3,000	
AMH/ Healthy Carolinas		388,540	
Hospitality House		10,000	
Wilkes Vocational Workshop		2,700	
Ashe Services for Aging		650,000	
Ashe Medication Assistance Program		12,000	

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Riverview Community Center		3,000	
American Legion		1,415	
Todd Community Pres Org		3,500	
Ashe Homeless Coalition		2,000	
Total	<u>\$ 1,555,223</u>	<u>\$ 1,360,505</u>	<u>\$ 194,718</u>
<i>Total Human Services</i>	<u>\$ 11,139,999</u>	<u>\$ 10,239,171</u>	<u>\$ 900,828</u>
Cultural and Recreational			
Parks & Recreation			
Salaries & Employee Benefits	\$ -	\$ 392,524	\$ -
Operating Expenses		234,852	
Capital Outlay		13,443	
Total	<u>\$ 724,045</u>	<u>\$ 640,819</u>	<u>\$ 83,226</u>
Contributions			
Contributions to Regional Library	\$ -	\$ 512,335	\$ -
Contribution to Ashe Civic Center		105,530	
Contribution to 1904 Courthouse		105,530	
Contributions to Ashe Co. Arts Council		35,000	
Tourism Promotions		119,966	
Total	<u>\$ 925,099</u>	<u>\$ 878,361</u>	<u>\$ 46,738</u>
<i>Total Cultural and Recreational</i>	<u>\$ 1,649,144</u>	<u>\$ 1,519,180</u>	<u>\$ 129,964</u>
Education			
Public Schools - Current Expense	\$ -	\$ 5,323,080	\$ -
Public Schools - Pool R&M		-	
Public Schools - Capital Outlay		200,000	
Public School - Technology Equipment		118,072	
Wilkes Comm. College - One Time Operation Supply		2,500	
Wilkes Comm. College - Current Expense		481,804	
Wilkes Comm. College - Capital Outlay		20,000	
<i>Total Education</i>	<u>\$ 6,150,467</u>	<u>\$ 6,145,456</u>	<u>\$ 5,011</u>
Debt Service			
Principal - Public Buildings		5,762,500	
Interest - Public Buildings		189,723	
<i>Total Debt Service</i>	<u>\$ 5,952,223</u>	<u>\$ 5,952,223</u>	<u>\$ -</u>
<i>Contingency</i>	<u>\$ 151,245</u>	<u>\$ -</u>	<u>\$ 151,245</u>
TOTAL EXPENDITURES	<u>\$ 41,520,399</u>	<u>\$ 39,104,494</u>	<u>\$ 2,415,905</u>
Revenues Over (Under) Expenditures	<u>\$ (6,504,922)</u>	<u>\$ (1,788,406)</u>	<u>\$ 4,716,516</u>

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Loan Proceeds	\$ 400,000	\$ 400,000	\$ -
Operating Transfers - In (Out):			
From Capital Projects Fund	200,000	200,000	-
From Schools Capital Projects Fund	5,062,500	5,062,500	-
From Econ. Dev. Cap. Project Fund	540,000	540,000	-
To E-911 Fund	(102,651)	(102,651)	-
To Revaluation Fund	(70,323)	(70,323)	-
To Cap. Project Fund	(601,581)	(601,581)	-
To Econ. Dev. Capital Project Fund	(194,270)	(194,270)	-
To School Capital Project Fund	(1,871,900)	(1,871,900)	-
Appropriated Fund Balance	3,143,147		(3,143,147)
Total Other Financing Sources (Uses)	<u>\$ 6,504,922</u>	<u>\$ 3,361,775</u>	<u>\$ (3,143,147)</u>
Excess of Revenues & Other Sources Over (Under) Expenditures & Other (Uses)	<u>\$ -</u>	<u>\$ 1,573,369</u>	<u>\$ 1,573,369</u>
Fund Balance			
Beginning of Year, July 1		<u>13,610,101</u>	
End of Year, June 30		<u>\$ 15,183,470</u>	

ASHE COUNTY, NORTH CAROLINA
REVALUATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
General Government			
Tax Administration			
Salaries & Employee Benefits	\$ -	\$ -	\$ -
Operating Expenses		63,365	
Total Expenditures	\$ 70,323	\$ 63,365	\$ 6,958
Revenues Over (Under)			
Expenditures	\$ (70,323)	\$ (63,365)	\$ 6,958
Other Financing Sources(Uses)			
Transfer In-General Fund	\$ 70,323	\$ 70,323	\$ -
Fund Balance Appropriated			-
Total Other Financing Sources	\$ 70,323	\$ 70,323	\$ -
Excess of Revenues & Other			
Sources Over (Under)			
Expenditures	\$ -	\$ 6,958	\$ 6,958
Fund Balance, July 1		\$ 103,575	
Fund Balance, June 30		\$ 110,533	

ASHE COUNTY, NORTH CAROLINA
ASHE COUNTY SCHOOLS CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Restricted Intergovernmental Revenue			
Public School Building Capital Fund			
Lottery Funds	\$ 228,379	\$ 229,747	\$ 1,368
IRS Reimbursement of QSCB Interest	11,366	10,677	(689)
Investment Earnings		1,877	1,877
Total Revenues	<u>\$ 239,745</u>	<u>\$ 242,301</u>	<u>\$ 2,556</u>
Expenditures:			
Education Capital Outlay:			
Professional Services	\$ -	\$ 421,032	\$ -
WCC Ashe Campus Construction		5,758,986	
ACMS Construction		46,238	
Total	<u>\$ 10,525,199</u>	<u>\$ 6,226,256</u>	<u>\$ 4,298,943</u>
Debt Service:			
QSCB Principal	\$ -	\$ 216,262	\$ -
QSCB Interest		13,486	
CPL Principal			
CPL Interest		175,643	
Total	<u>\$ 429,002</u>	<u>\$ 405,391</u>	<u>\$ 23,611</u>
Total Expenditures	<u>\$ 10,954,201</u>	<u>\$ 6,631,647</u>	<u>\$ 4,322,554</u>
Revenues Over (Under) Expenditures	<u>\$ (10,714,456)</u>	<u>\$ (6,389,346)</u>	<u>\$ 4,325,110</u>
Other Financing Sources & Uses			
Loan Proceeds	\$ 13,150,000	\$ 13,150,000	\$ -
Transfer to General Fund	(5,062,500)	(5,062,500)	-
Transfer from General Fund	1,871,900	1,871,900	-
Fund Balance Appropriated	755,056		(755,056)
Total Other Financing Sources & Uses	<u>\$ 10,714,456</u>	<u>\$ 9,959,400</u>	<u>\$ (755,056)</u>
Revenues and Other Sources			
Over (Under) Expenditures & Other Uses	<u>\$ -</u>	\$ 3,570,054	<u>\$ 3,570,054</u>
Fund Balance, July 1		<u>\$ 2,755,091</u>	
Fund Balance, June 30		<u>\$ 6,325,145</u>	

COMBINING STATEMENTS FOR NON-MAJOR FUNDS - ASHE COUNTY

Special Revenue Funds

- * Emergency Telephone System Fund - This fund accounts for the 911 revenues collected by the telephone industry to fund the 911 emergency system
- * 4-H Program Activities Fund - This fund accounts for revenues and expenditures of various 4 - H programs.
- * DSS Representative Payee Funds - This fund accounts for revenues received for DSS clients and expenditures paid out for those clients.
- * Deed of Trust Fund - This fund accounts for revenues collected from Deed Stamp fees that must be remitted to the State.
- * Coronavirus Relief Fund - This fund accounts for revenues and expenditures of CARES Act monies.
- * ARPA Fund - this fund accounts for revenues and expenditures of American Rescue Plan Act monies.

Capital Projects Funds

- * County Government Capital Projects Fund - The County uses this fund to account for the purchase or construction of governmental capital assets.
- * Economic Development Capital Projects Fund- The County uses this fund to account for future economic development capital outlay.

ASHE COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Special Revenue Funds						Total Nonmajor Special Revenues Funds	Capital Projects Funds			Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Emergency Telephone System Fund	4-H Program Activities Fund	DSS Representative Payee Fund	Deed of Trust Fund	Coronavirus Relief Fund	ARPA Fund		CDBG Fund	Government Building Fund	Economic Development Fund		
Assets												
Cash & Cash Equivalents	\$ -	\$ -	\$ 100,755	\$ -	\$ -	\$ -	\$ 100,755	\$ 5	\$ 2,077,767	\$ 364,479	2,442,251	2,543,006
Restricted Cash	287,824	74,514				2,641,932	3,004,270				-	3,004,270
Due from Other Funds	102,651						102,651				-	102,651
Due from Other Governments	43,177						43,177		168,994		168,994	212,171
Total Assets	\$ 433,652	\$ 74,514	\$ 100,755	\$ -	\$ -	\$ 2,641,932	\$ 3,250,853	\$ 5	\$ 2,246,761	\$ 364,479	\$ 2,611,245	\$ 5,862,098
Liabilities & Fund Balance												
Accounts Payable	\$ 29,006	\$ 448	\$ 1,558	\$ -	\$ -	\$ -	31,012	\$ 5	\$ 57,959	\$ -	\$ 57,964	\$ 88,976
Due to Other Funds	25,905						25,905					25,905
Advance from Grantors						2,641,932	2,641,932					2,641,932
Total Liabilities	\$ 54,911	\$ 448	\$ 1,558	\$ -	\$ -	\$ 2,641,932	\$ 2,698,849	\$ 5	\$ 57,959	\$ -	\$ 57,964	\$ 2,756,813
Fund Balance												
Restricted												
Restricted by State Statute	\$ 145,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,828	\$ -	\$ 168,994	\$ -	\$ 168,994	\$ 314,822
Restricted for E911	232,913						232,913					232,913
Restricted for Human Services		74,066	99,197				173,263					173,263
Committed:												
For Capital Projects									2,019,808	364,479	2,384,287	2,384,287
Unassigned												
Total Fund Balance	\$ 378,741	\$ 74,066	\$ 99,197	\$ -	\$ -	\$ -	\$ 552,004	\$ -	\$ 2,188,802	\$ 364,479	\$ 2,553,281	\$ 3,105,285
Total Liabilities & Fund Balance	\$ 433,652	\$ 74,514	\$ 100,755	\$ -	\$ -	\$ 2,641,932	\$ 3,250,853	\$ 5	\$ 2,246,761	\$ 364,479	\$ 2,611,245	\$ 5,862,098

ASHE COUNTY, NORTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						Total Nonmajor Special Revenue Funds	Capital Projects Funds			Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Emergency Telephone System Fund	4-H Program Activities Fund	DSS Representative Payee Fund	Deed of Trust Fund	Coronavirus Relief Fund	ARPA Funds		CDBG Fund	Government Buildings Fund	Economic Development Fund		
Revenues												
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Intergovernmental Revenues	371,146		524,201		1,220,556		2,115,903		245,594		245,594	2,361,497
Local Fund Raising & Other Revenues		7,200					7,200					7,200
Sales & Service Permits and Fees		125		291,279			291,279					291,279
Total Revenues	<u>\$ 371,146</u>	<u>\$ 7,325</u>	<u>\$ 524,201</u>	<u>\$ 291,279</u>	<u>\$ 1,220,556</u>	<u>\$ -</u>	<u>\$ 2,414,507</u>	<u>\$ -</u>	<u>\$ 245,594</u>	<u>\$ -</u>	<u>\$ 245,594</u>	<u>\$ 2,660,101</u>
Expenditures												
General Government	\$ -	\$ -	\$ -	\$ 291,279	\$ -	\$ -	\$ 291,279	\$ -	\$ -	\$ -	\$ -	\$ 291,279
Public Safety	245,039						245,039					245,039
Human Services		27,708	510,243		1,220,556		1,758,507					1,758,507
Capital Outlay							-	859,925			859,925	859,925
Economic Development							-				-	-
Total Expenditures	<u>\$ 245,039</u>	<u>\$ 27,708</u>	<u>\$ 510,243</u>	<u>\$ 291,279</u>	<u>\$ 1,220,556</u>	<u>\$ -</u>	<u>\$ 2,294,825</u>	<u>\$ -</u>	<u>\$ 859,925</u>	<u>\$ -</u>	<u>\$ 859,925</u>	<u>\$ 3,154,750</u>
Revenues Over (Under) Expenditures	\$ 126,107	\$ (20,383)	\$ 13,958	\$ -	\$ -	\$ -	\$ 119,682	\$ -	\$ (614,331)	\$ -	\$ (614,331)	\$ (494,649)
Other Financing Sources												
Transfer-In	102,651						102,651		601,581	194,270	795,851	898,502
Transfer-Out									(200,000)	(540,000)	(740,000)	(740,000)
Loan Proceeds									239,867		239,867	239,867
Net change in Fund Balance	228,758	(20,383)	13,958	-	-	-	222,333	-	27,117	(345,730)	(318,613)	(96,280)
Fund Balance, beginning	149,983	94,385	-	-	-	-	244,368	-	2,161,685	710,209	2,871,894	3,116,262
4-H Afterschool Fund		64					64					64
Prior period restatement - change in acct principle			85,239				85,239					85,239
Fund Bal, beg as restated	149,983	94,449	85,239	-	-	-	329,671	-	2,161,685	710,209	2,871,894	3,201,565
Fund Balance, ending	<u>\$ 378,741</u>	<u>\$ 74,066</u>	<u>\$ 99,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,004</u>	<u>\$ -</u>	<u>\$ 2,188,802</u>	<u>\$ 364,479</u>	<u>\$ 2,553,281</u>	<u>\$ 3,105,285</u>

ASHE COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND (E911)
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Restricted Intergovernmental:			
E911 Wireless Surcharge	\$ 371,146	\$ 371,146	\$ -
Total Revenues	\$ 371,146	\$ 371,146	\$ -
Expenditures			
<u>Public Safety :</u>			
Wireless E911 Communications:			
Operating Expenses	\$ -	\$ 191,547	\$ -
Capital Outlay		53,492	
Total Expenditures	\$ 451,810	\$ 245,039	\$ 206,771
Excess of Revenues Over (Under) Expenditures	\$ (80,664)	\$ 126,107	\$ 206,771
Other Financing Sources (Uses)			
Transfer in from General Fund	-	102,651	102,651
Appropriated Fund Balance	80,664		(80,664)
Excess of Revenues & Other Sources Over (Under) Expenditures	\$ -	\$ 228,758	\$ 228,758
Fund Balance, July 1		149,983	
Fund Balance, June 30		378,741	

ASHE COUNTY, NORTH CAROLINA
4-H PROGRAM ACTIVITIES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Restricted Intergovernmental Revenue:</u>			
State Grants	\$ -	\$ -	\$ -
Federal Grants			
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Sales and Service:</u>			
Program Fees	\$ -	\$ 125	\$ -
Total	<u>\$ 50,000</u>	<u>\$ 125</u>	<u>\$ (49,875)</u>
<u>Other Revenues:</u>			
Donations	\$ -	\$ 962	\$ -
Total	<u>\$ 60,000</u>	<u>\$ 962</u>	<u>\$ (59,038)</u>
<u>Miscellaneous Revenues:</u>			
4-H General	\$ -	\$ 6,238	\$ -
Total	<u>\$ 66,500</u>	<u>\$ 6,238</u>	<u>\$ (60,262)</u>
Total Revenues	<u>\$ 176,500</u>	<u>\$ 7,325</u>	<u>\$ (169,175)</u>
<u>Expenditures</u>			
General 4-H			
Salaries & Employee Benefits	\$ -	\$ 5,684	\$ -
Operating Expenses		15,024	
Capital Outlay		7,000	
Total		<u>\$ 27,708</u>	
Total Expenditures	<u>\$ 176,500</u>	<u>\$ 27,708</u>	<u>\$ 148,792</u>
Revenues Over (Under) Expenditures	\$ -	\$ (20,383)	\$ (20,383)
Fund Balance Adjustment			
Other Financing Sources			
Fund Balance Appropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues & Other Sources			
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (20,383)</u>	<u>\$ (20,383)</u>
Fund Balance, July 1		\$ 94,385	
4-H Afterschool Fund Balance Merged with 4-H			
Activities Fund		<u>64</u>	
Fund Balance, June 30		<u>\$ 74,066</u>	

ASHE COUNTY, NORTH CAROLINA
DSS REPRESENTATIVE PAYEE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Restricted Intergovernmental Revenue	\$ 530,000	\$ 524,201	\$ (5,799)
			-
Total Revenues	<u>\$ 530,000</u>	<u>\$ 524,201</u>	<u>\$ (5,799)</u>
Expenditures			
Human Services			
Payments made for benefit of beneficiaries	\$ 530,000	\$ 510,243	\$ 19,757
Total Expenditures	<u>\$ 530,000</u>	<u>\$ 510,243</u>	<u>\$ 19,757</u>
Excess of Revenues Over (Under)			
Expenditures	\$ -	\$ 13,958	\$ 13,958
Excess of Revenues & Other			
Sources Over (Under)			
Expenditures	<u>\$ -</u>	\$ 13,958	<u>\$ 13,958</u>
Fund Balance, July 1, previously reported		\$ -	
Prior period restatement			
Change in accounting principle		<u>85,239</u>	
Fund Balace, July 1, restated		<u>85,239</u>	
Fund Balance, June 30		<u>\$ 99,197</u>	

ASHE COUNTY, NORTH CAROLINA
DEED OF TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Permits and fees			
Register of deeds	\$ 300,000	\$ 291,279	\$ (8,721)
Total Revenues	\$ 300,000	\$ 291,279	\$ (8,721)
Expenditures			
General Government			
Payments of fees collected to the State of North Carolina	\$ 300,000	\$ 291,279	\$ 8,721
Total Expenditures	\$ 300,000	\$ 291,279	\$ 8,721
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Excess of Revenues & Other Sources Over (Under) Expenditures	\$ -	\$ -	\$ -
Fund Balance, July 1		\$ -	
Fund Balance, June 30		\$ -	

ASHE COUNTY, NORTH CAROLINA
CORONAVIRUS RELIEF FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Restricted Intergovernmental Revenues:					
Coronavirus Relief Fund	\$ 1,220,556		\$ 1,220,556	\$ 1,220,556	\$ -
CARES Act Funds					
Total Revenues	<u>\$ 1,220,556</u>	<u>\$ -</u>	<u>\$ 1,220,556</u>	<u>\$ 1,220,556</u>	<u>\$ -</u>
Expenditures					
Human Services	\$ 1,220,556		\$ 1,220,556	\$ 1,220,556	\$ -
Total Expenditures	<u>\$ 1,220,556</u>	<u>\$ -</u>	<u>\$ 1,220,556</u>	<u>\$ 1,220,556</u>	<u>\$ -</u>
Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources					
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, July 1			<u>\$ -</u>		
Fund Balance, June 30			<u>\$ -</u>		

ASHE COUNTY, NORTH CAROLINA
GOVERNMENT BUILDINGS CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Restricted Intergovernmental Revenue			
Federal Grants	\$ 5,476,075	\$ 245,594	\$ (5,230,481)
Total Revenues	\$ 5,476,075	\$ 245,594	\$ (5,230,481)
Expenditures			
General Government			
Public Buildings Capital Outlay Related	\$ 1,994,516	\$ 473,416	\$ 1,521,100
Transportation			
Capital Outlay Airport	\$ 5,645,234	\$ 269,488	\$ 5,375,746
Debt Service			
Principal	\$ 111,039	\$ 111,039	\$ -
Interest	5,982	5,982	-
Total Debt Services	\$ 117,021	\$ 117,021	-
Total Expenditures	\$ 7,756,771	\$ 859,925	\$ 6,896,846
Revenues Over (Under) Expenditures	\$ (2,280,696)	\$ (614,331)	\$ 1,666,365
Other Financing Sources			
Proceeds from Loans	\$ 239,867	\$ 239,867	\$ -
Transfers In	601,581	601,581	-
Transfers Out	(200,000)	(200,000)	-
Fund Balance Appropriated	1,639,248		(1,639,248)
Total Other Financing Sources	\$ 2,280,696	\$ 641,448	\$ (1,639,248)
Revenue and Other Sources Over (Under) Expenditures	\$ -	\$ 27,117	\$ 27,117
Fund Balance, July 1		\$ 2,161,685	
Fund Balance, June 30		\$ 2,188,802	

ASHE COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Investment Earnings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Economic Development:			
Capital Outlay Related	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Other Financing Sources & Uses			
Operating Transfers - In (From General Fund)	\$ 194,270	\$ 194,270	\$ -
Operating Transfers - Out (To General Fund)	(540,000)	(540,000)	-
Operating Transfers- Out (To Capital Projects Fund)	-	-	-
Fund Balance Appropriated	<u>345,730</u>	<u> </u>	<u>(345,730)</u>
Total Other Fin. Sources & Uses	\$ -	\$ (345,730)	\$ (345,730)
Revenues & Other Sources Over (Under)			
Expenditures & Other Uses	<u>\$ -</u>	\$ (345,730)	<u>\$ (345,730)</u>
Fund Balance, July 1		<u>\$ 710,209</u>	
Fund Balance, June 30		<u>\$ 364,479</u>	

STATEMENTS FOR ENTERPRISE FUNDS

Enterprise Funds

- * Environmental Services Fund - accounts for the County's solid waste activities, including the Landfill Closure and Postclosure Fund to account for funds needed at such time the Landfill operation is closed and the subsequent monitoring that will be needed.

ASHE COUNTY, NORTH CAROLINA
ENVIRONMENTAL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating Revenues:			
Charges for Services:			
SWDF - Household Fees	\$ -	\$ 2,339,054	\$ -
SWDF - Commercial Fees		418,305	
Recycling Revenues		152,409	
Miscellaneous Revenue		300	
Total Operating Revenues	\$ 2,809,100	\$ 2,910,068	\$ 100,968
Non-Operating Revenue:			
Investment Earnings	\$ 25,000	\$ 659	\$ (24,341)
Total Revenues	\$ 2,834,100	\$ 2,910,727	\$ 76,627
Expenditures:			
Environmental Services-Collections			
Salaries & Employee Benefits	\$ -	\$ 803,894	\$ -
Operating Expenses		327,209	
Capital Outlay		286,680	
Total Environmental Services-Collections	\$ 1,666,116	\$ 1,417,783	\$ 248,333
Environmental Services-Disposal			
Salaries & Employee Benefits	\$ -	\$ 354,214	\$ -
Operating Expenses		499,656	
Capital Outlay		13,476	
Total Environmental Services-Disposal	\$ 1,104,614	\$ 867,346	\$ 237,268
Debt Service			
Principal		\$ 332,008	\$ -
Interest		22,035	
Total Debt Service	\$ 354,043	\$ 354,043	\$ -
Total Expenditures	\$ 3,124,773	\$ 2,639,172	\$ 485,601
Revenues Over (Under) Expenditures	\$ (290,673)	\$ 271,555	\$ 562,228
Other Financing Sources (Uses)			
Contribution From Other Governments	\$ 6,000	\$ 6,000	\$ -
Solid Waste Disposal Tax	21,000	23,531	2,531
Scrap Tire Disposal Tax and Grant	39,700	43,665	3,965
White Goods Disposal Tax and Grant	11,250	7,013	(4,237)
Electronics Mgmt Distr.	1,800	3,391	1,591
Other DEHNR GRANT	1,500		(1,500)
Proceeds from Sale of Fixed Assets		5,000	5,000
Proceeds from Loan			-
Transfer Out - Landfill Capital Reserve	(100,000)	(100,000)	-
Fund Balance Appropriated	309,423		(309,423)
Total	\$ 290,673	\$ (11,400)	\$ (302,073)
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 260,155	\$ 260,155

ASHE COUNTY, NORTH CAROLINA
ENVIRONMENTAL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Reconciliation to Accrual Basis

Excess of Revenues and Other Sources		
Over (Under) Expenditures	\$	260,155
Proceeds from Sale of Fixed Assets		(5,000)
Gain on Sale of Fixed Assets		5,000
Proceeds from Loan		
Debt Principal		332,008
Decrease (Increase) in Interest Payable		1,590
Capital Outlay		300,156
Depreciation		(391,729)
Landfill Closure and Postclosure Care Costs		(325,000)
Transfers Out - Landfill Capital Reserve		100,000
Increase (Decrease) in Deferred Outflows of Resources - Pensions		28,045
Increase (Decrease) in Deferred Outflows of Resources - OPEB		14,152
Decrease (Increase) in Accrued Vacation Pay		(3,829)
Decrease (Increase) in Net Pension Liability		(73,023)
Decrease (Increase) in OPEB Liability		(90,876)
Decrease (Increase) in Deferred Inflows of Resources - Pensions		101
Decrease (Increase) in Deferred inflows of Resources -OPEB		26,943
Change in Net Position	<u>\$</u>	<u>178,693</u>

LANDFILL CLOSURE & POST CLOSURE - RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Investment Earnings	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Landfill Cell Construction	\$ -	\$ -	\$ -
Landfill Closure and Post Closure			
Total Expenditures	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Revenues Over (Under) Expenditures	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Other Financing Sources (Uses):			
Transfers In - Environmental Services	\$ 100,000	\$ 100,000	\$ -
Transfers Out- Environmental Services			
Fund Balance Appropriated			-
Total	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

ASHE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

<u>Assets</u>	Fire District Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Cash and Cash Equivalents	\$ 12,366	\$ 56,599	\$ 68,965
Taxes Receivable for Fire Districts, Net	171,996		171,996
Total Assets	<u>184,362</u>	<u>56,599</u>	<u>240,961</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -
Due To Other Governments	184,362		184,362
Total Liabilities	<u>184,362</u>	<u>-</u>	<u>184,362</u>
<u>Net Position</u>			
Restricted for:			
Individuals, Organizations, and Other Governments	\$ -	\$ 56,599	\$ 56,599
Total Net Position	<u>\$ -</u>	<u>\$ 56,599</u>	<u>\$ 56,599</u>

ASHE COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Additions</u>	Fire District Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Ad Valorem Taxes for Fire Districts	\$ 1,861,590	\$ -	\$ 1,861,590
Collections on Behalf of Inmates		233,701	233,701
Total Additions	<u>1,861,590</u>	<u>233,701</u>	<u>2,095,291</u>
 <u>Deductions</u>			
Tax Distribution to Fire Districts	\$ 1,861,590	\$ -	\$ 1,861,590
Payments on Behalf of Inmates		226,922	226,922
Total Deductions	<u>1,861,590</u>	<u>226,922</u>	<u>2,088,512</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ -	\$ 6,779	\$ 6,779
Net Position, Beginning, as Previously Reported	-	-	-
Prior Period Restatement - Change In Accounting Principle	-	49,820	49,820
Net Position, Beginning, as Restated	<u>\$ -</u>	<u>\$ 49,820</u>	<u>\$ 49,820</u>
Net Position, Ending	<u>\$ -</u>	<u>\$ 56,599</u>	<u>\$ 56,599</u>

ASHE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>County - wide</u>			<u>Total Levy</u>	
	<u>Property</u>	<u>Rate</u>	<u>Amount</u>	<u>Property</u>	<u>Registered</u>
	<u>Valuation</u>				
				<u>Registered</u>	<u>Motor</u>
				<u>Vehicles</u>	<u>Vehicles</u>
Original Levy:					
Property Taxed at Current Year's Rate	\$ 4,187,934,376	.443	\$ 18,551,014	\$ 17,455,596	\$ 1,095,418
Property Taxed at Prior Year's Rate	89,956,055	.443	394,919	-	394,919
Discoveries					
Current year taxes	<u>\$ 39,597,318</u>	.443	<u>\$ 175,416</u>	<u>\$ 175,416</u>	<u>\$ -</u>
Total	<u>\$ 4,317,487,749</u>		<u>\$ 19,121,349</u>	<u>\$ 17,631,012</u>	<u>\$ 1,490,337</u>
Abatements	<u>\$ (37,695,850)</u>	.443	<u>\$ (166,993)</u>	<u>\$ (166,993)</u>	<u>\$ -</u>
Total property valuation	<u><u>\$ 4,279,791,899</u></u>				
Net levy			\$ 18,954,356	\$ 17,464,019	\$ 1,490,337
Uncollected taxes at June 30, 2021			<u>(520,306)</u>	<u>(520,306)</u>	<u> </u>
Current year's taxes collected			<u>\$ 18,434,050</u>	<u>\$ 16,943,713</u>	<u>\$ 1,490,337</u>
Current levy collection percentage			97.25%	97.02%	100.00%

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-21	\$ -	\$ 18,954,315	\$ 18,434,008	\$ 520,307
2019-20	676,540		352,902	323,638
2018-19	401,932		149,928	252,004
2017-18	292,061		84,777	207,284
2016-17	228,051		62,788	165,263
2015-16	194,069		55,363	138,706
2014-15	159,541		42,936	116,605
2013-14	159,506		37,887	121,619
2012-13	149,520		33,106	116,414
2011-12	143,744		41,594	102,150
2010-11	113,838		113,838	-
	<u>\$ 2,518,802</u>	<u>\$ 18,954,315</u>	<u>\$ 19,409,127</u>	<u>\$ 2,063,990</u>

Less Allowance for Uncollectible Ad Valorem
Taxes Receivable \$ 591,000

Ad Valorem Taxes Receivable (Net) \$ 1,472,990

Reconciliation with Revenues

Taxes - Ad Valorem - General Fund	\$ 19,485,618
Discount Allowed	233,957
Amounts Written Off Per Statute of Limitations	82,042
Adjustments	63,860
Interest Collected	<u>(456,350)</u>

Total Collections & Credits \$ 19,409,127

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

Independent Auditor's Report

To the Board of County Commissioners
Ashe County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the [accompanying] financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ashe County, North Carolina, as of and for the year ended June 30, 2021, and the notes to the financial statements, which collectively comprises Ashe County's basic financial statements, and have issued our report thereon dated February 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ashe County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ashe County's internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ashe County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Priscilla L. Norris, CPA

Jefferson, NC

February 9, 2022

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**Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance;
In Accordance with OMB Uniform Guidance;
and the State Single Audit Implementation Act**

Independent Auditor's Report

To the Board of County Commissioners
Ashe County, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ashe County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ashe County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Ashe County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Ashe County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ashe County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with

Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



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Jefferson, NC

February 9, 2022

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**Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance;
In Accordance with OMB Uniform Guidance;
and the State Single Audit Implementation Act**

Independent Auditor's Report

To the Board of County Commissioners
Ashe County, North Carolina

Report on Compliance for Each Major State Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ashe County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Ashe County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Ashe County's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Ashe County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ashe County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in

accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ashe County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Priscilla L. Norris, CPA

Jefferson, NC

February 9, 2022

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies(s) identified that are not considered to be material weaknesses _____ yes X none reported

Noncompliance material to financial statements noted _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies(s) identified that are not considered to be material weaknesses _____ yes X none reported

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

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Title XIX - Medicaid
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? X yes _____ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies(s) identified that are not considered to be material weaknesses _____ yes X none reported

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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

Any audit findings disclosed that are required
to be reported in accordance with the State

Single Audit Implementation Act _____ yes X no

Identification of major State programs:

Program Name

Public School Building Capital Fund - Lottery Proceeds

State Foster Home Fund (Maximization)

II. Financial Statement Findings

None Reported.

III. Federal Award Findings and Questioned Costs

None Reported.

IV. State Awards Findings and Questioned Cost

None Reported.

V. Corrective Action Plan for the Following Sections:

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

None Reported.

Section IV - State Award Findings and Questioned Costs

None Reported.

VI. Summary of Prior Audit Findings

None Reported

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed through to Subrecipients	Local Expenditures
FEDERAL AWARDS:					
<u>U.S. Department of Health and Human Services</u>					
<i>Administration for Children and Families</i>					
Passed-through the N.C. Dept. of Health and Human Serv:					
<u>Division of Child Development:</u>					
Subsidized Child Care Cluster:					
Division of Social Services:					
Child Care Development Fund- Administration	93.596	\$ 80,000	\$ -	\$ -	\$ -
Total Subsidized Child Care Cluster		<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Division of Social Services:</u>					
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E Foster Care - Admin	93.658	175,955	9,518		142,864
Title IV-E Foster Care - <u>Direct Benefits</u>	93.658	276,833	53,314		55,521
Title IV-E - Adoption -Admin	93.659	864			864
Total Foster Care and Adoption Cluster		<u>453,652</u>	<u>62,832</u>	<u>-</u>	<u>199,249</u>
<u>Temporary Assistance for Needy Families Cluster</u>					
TANF/Work First	93.558	235,503	-		760,827
Total TANF Cluster		<u>235,503</u>	<u>-</u>	<u>-</u>	<u>760,827</u>
<u>All Other DSS:</u>					
Child Support Enforcement	93.563	408,736			210,561
Refugee Assistance - Admin.	93.566	201			
Low Income Home Energy Assistance Block Grant	93.568	365,899			
Low Income Home Energy Asst. Covid-19	93.568	108,303			
Child Welfare Services	93.645	6,843	23,416		2,281
Promoting Safe and Stable Families	93.556	14,760			
Social Services Block Grant - Adult Services	93.667	259,533	14,729		53,353
Chafee Foster Care Indep. Program - Admin.	93.674	10,591	2,648		\$ 3,448
Chafee Foster Care Indep. Program - <u>Direct Ben. Pmts</u>	93.674	15,981			
Total All Other DSS		<u>1,190,847</u>	<u>40,793</u>	<u>-</u>	<u>269,643</u>
<i>Total Administration for Children and Families</i>		<u>\$ 1,960,002</u>	<u>\$ 103,625</u>	<u>\$ -</u>	<u>\$ 1,229,719</u>
 <u>Health Care Financing Administration</u>					
Passed-through the N.C. Dept. of Health and Human Serv:					
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	1,743,609	1,323		755,724
NC Health Choice	93.767	41,234			7,765
<i>Total Healthcare Financing Administration</i>		<u>\$ 1,784,843</u>	<u>\$ 1,323</u>	<u>\$ -</u>	<u>\$ 763,489</u>
Total U.S. Department of Health and Human Services		<u>\$ 3,744,845</u>	<u>\$ 104,948</u>	<u>\$ -</u>	<u>\$ 1,993,208</u>
 <u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Services</u>					
Passed-through the N.C. Dept. of Health and Human Serv:					
Division of Social Services:					
Administration:					
Supplemental Nutrition Assist. Program Cluster					
Administration	10.561	\$ 382,086	\$ -	\$ -	\$ 382,086
Total U.S. Dept. of Agriculture		<u>\$ 382,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,086</u>

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
<u>U.S. Dept. of Transportation</u>					
Passed - through NC Dept. of Transportation:					
Airport Improvements Program (36237.21.16.1)	20.106	\$ 30,297	\$ -	\$ -	\$ 3,366
Airport Improvements Program (36237.21.18.2)	20.106	26,327			2,925
Airport Improvements Program (36237.21.17.2)	20.106	23,053			2,561
Airport Coronavirus Response Grant	20.106	43,000			
Airport Improvements Program (36237.21.19.1)	20.106	27,803			3,089
Airport Improvements Program (unknown)	20.106	18,008			2,001
Total U.S. Dept. of Transportation		\$ 168,488	\$ -	\$ -	\$ 13,942
<u>U.S. Dept. of Homeland Security</u>					
Passed - through NC Dept. of Public Safety:					
Emergency Management	97.042	\$ 52,073	\$ -		\$ -
FEMA - Hurricane Florence	97.036	3,279			
Total U.S. Dept. of Homeland Security		\$ 55,352	\$ -	\$ -	\$ -
<u>U.S. Election Assistance Commission</u>					
Passed - through NC State Board of Elections:					
HAVA Election Security Grants	90.404	\$ 72,425	\$ -	\$ -	\$ -
Total U.S. Elections Assistance Commission		\$ 72,425	\$ -	\$ -	\$ -
<u>U.S. Department of the Treasury</u>					
Passed - through NC Pandemic Recovery Office:					
Coronavirus Relief Fund	21.019	\$ 1,220,556			
		\$ 1,220,556	\$ -	\$ -	\$ -
Total Federal Awards (and state and local match)		\$ 5,643,752	\$ 104,948	\$ -	\$ 2,389,236
STATE AWARDS:					
<u>N.C. Dept. of Transportation</u>					
State Aid to Airports (DOT-8) (36244.29.8.1)			97,771		10,863
State Aid to Airports (DOT-8) (36244.29.9.1)			15,981		1,776
State Aid to Airports (DOT-8) (36244.29.7.1)			1,158		129
State Aid to Airports (DOT-8)(GEV 47201.3)			5,198		578
<u>N.C. Dept. of Environmental Quality</u>					
Scrap Tire Grant			3,490		
<u>Administrative Office of the Courts</u>					
Safe Roads Act Funds			1,021		
<u>N.C. Dept. of Public Safety</u>					
Emergency Management Supplies			1,403		
Emergency Management Professional Services			14,500		
Juvenile Crime Prevention			102,525		
<u>N.C. Dept. of Administration</u>					
DMVA County Grant			2,084		
<u>NC Department of Agriculture</u>					
Farm Land Protection Grant			13,750		
Pesticide Grant			2,140		
Soil Technicians Grant			24,988		
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds			229,594	229,594	

ASHE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
<u>N.C. Dept. of Social Services</u>					
State Foster Home			67,601		67,601
State Foster Home Fund (Maximization)			210,365		210,325
Extended Foster Care Max Non IVE			35,665		
Child Support Enforcement Incentive			12,177		
APS/CPS Care COVID-19			51,334		
Total State Awards and local match		\$ -	\$ 892,745	\$ 229,594	\$ 291,272
Total Federal and State Awards		\$ 5,643,752	\$ 997,693	\$ 229,594	\$ 2,680,508

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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

3. Cluster of Programs

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