

***ASHE COUNTY***  
***NORTH CAROLINA***  
***AUDIT REPORT***  
***JUNE 30, 2024***

***Priscilla L. Norris, CPA***

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***ASHE COUNTY***  
***NORTH CAROLINA***

BOARD OF COUNTY COMMISSIONERS

Todd McNeill - Chairman

Chuck Olive - Vice Chairman

Mike Eldreth

William Sands

Jerry Powers

COUNTY OFFICIALS

Adam Stumb

County Manager

Sandra Long

Director of Finance

B. Phil Howell

Sheriff

Deaett Roten

Register of Deeds

Chris Lambert

Tax Administrator

Tracie McMillan

DSS Director

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# *Priscilla L. Norris, CPA*

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## **Independent Auditor's Report**

To the Board of County Commissioners  
Ashe County, North Carolina

### **Report on the Audit of Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ashe County, North Carolina, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Ashe County's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying 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 as of June 30, 2024, and the respective changes in financial position, and cash flows (where applicable) thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Audit of the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- \* exercised professional judgment and maintained professional skepticism throughout the audit.
- \* identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- \* obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ashe County's internal control. Accordingly, no such opinion is expressed.
- \* evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- \* conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ashe County's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employee's Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions, 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 is the responsibility of management, and although not a part of 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 consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected by us 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 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 Audit Standards*, we have also issued our report dated November 26, 2024 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 Audit Standards* in considering Ashe County's internal control over financial reporting and compliance.



Priscilla L. Norris, CPA

Jefferson, NC

November 26, 2024



**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

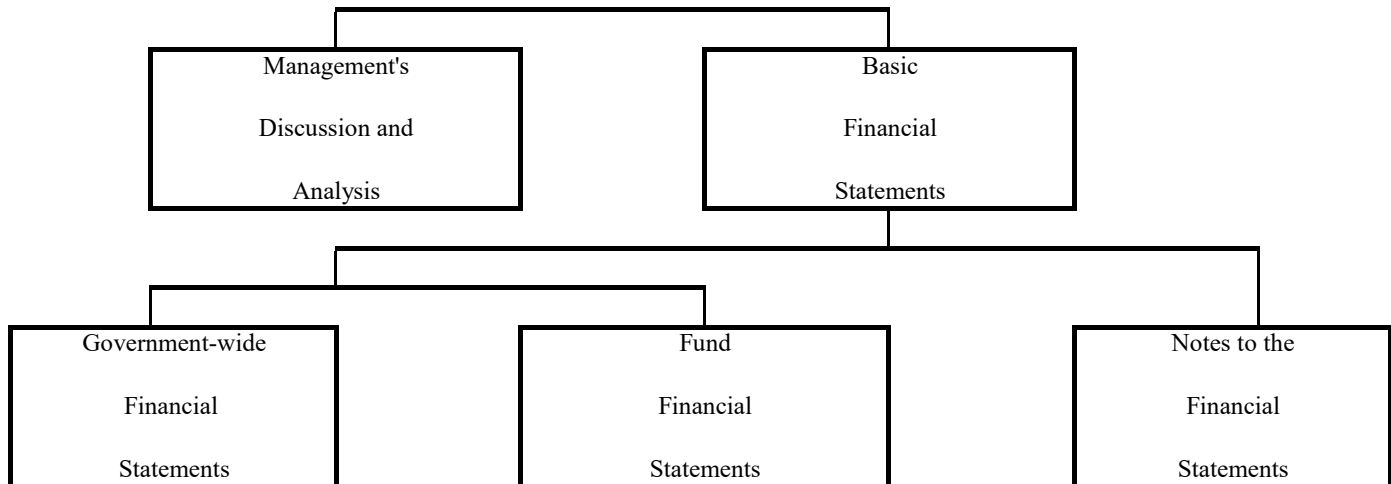
**Financial Highlights**

- \* 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 \$71,356,394 (net position).
- \* The government's total net position increased by \$2,265,385, compared to an increase of \$12,435,219 in the prior year. The main factor in this change from prior year is due to capital grants and American Recovery Plan Act funds that were recognized last year. Also, approximately \$3 million of ad valorem tax was designated for the enterprise fund this year.
- \* As of the close of the current fiscal year, Ashe County's governmental funds reported combined ending fund balances of \$37,641,631, an increase of \$1,561,410 in comparison with the prior year. Approximately 36.60 percent of this total amount, or \$13,776,250, is available for spending at the government's discretion (unassigned fund balance), beyond amounts assigned for subsequent year's expenditures. Approximately 30.73 percent, or \$10,572,012, is restricted or non-spendable.
- \* At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$19,448,583, or 43.83 percent of total General Fund expenditures for the fiscal year.
- \* Ashe County's total loan debt decreased by \$1,528,216 (12.1%) during the current fiscal year. The key factors in this decrease are principal payments of \$1,793,216, less new debt of \$265,000.

**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**



Summary ----- Detail

**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**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

**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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 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 through A-7 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 \$71,356,394 as of June 30, 2024. One of the largest portions, \$52,763,627 (73.94%), 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, \$10,614,627 (14.88%) 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, 2024**

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 43,590,111	\$ 40,107,096	\$ 6,258,332	\$ 5,703,864	\$ 49,848,443	\$ 45,810,960
Capital assets	49,814,387	49,656,948	7,228,283	7,330,452	57,042,670	56,987,400
<b>Total assets</b>	<b>\$ 93,404,498</b>	<b>\$ 89,764,044</b>	<b>\$ 13,486,615</b>	<b>\$ 13,034,316</b>	<b>\$ 106,891,113</b>	<b>\$ 102,798,360</b>
Deferred outflows of resources	\$ 6,853,745	\$ 6,034,323	\$ 473,481	\$ 364,118	\$ 7,327,226	\$ 6,398,441
Long-term liabilities	30,056,773	29,691,280	5,960,774	5,928,691	36,017,547	35,619,971
Other liabilities	2,589,604	1,671,846	140,280	88,673	2,729,884	1,760,519
<b>Total liabilities</b>	<b>\$ 32,646,377</b>	<b>\$ 31,363,126</b>	<b>\$ 6,101,054</b>	<b>\$ 6,017,364</b>	<b>\$ 38,747,431</b>	<b>\$ 37,380,490</b>
Deferred inflows of resources	\$ 3,880,676	\$ 2,620,083	\$ 233,838	\$ 105,219	\$ 4,114,514	\$ 2,725,302
<b>Net position</b>						
Net investment in capital assets	45,994,135	44,886,033	6,769,492	6,624,569	52,763,627	51,510,602
Restricted	10,614,627	11,131,351			10,614,627	11,131,351
Unrestricted	7,122,428	5,797,774	855,712	651,282	7,978,140	6,449,056
<b>Total net position</b>	<b>\$ 63,731,190</b>	<b>\$ 61,815,158</b>	<b>\$ 7,625,204</b>	<b>\$ 7,275,851</b>	<b>\$ 71,356,394</b>	<b>\$ 69,091,009</b>

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 97.50% to 97.52%
- \* Current Year Ad Valorem Tax collections of \$26,034,291 were approximately \$4,444,880 more than the prior year. Approximately \$3 million of this amount was designated for Environmental Services (business-type activities) this year. This still left over \$1.4 million for the General Fund.
- \* The County ended the year with an increase over the prior year for sales tax collections of approximately \$42,249.
- \* Infrastructure construction work continued at the County airport, funded mostly by state and federal grants.
- \* Investment earnings increased by \$641,539 for a total of \$2,009,224, due to the rise in interest rates over the fiscal year.

**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Ashe County Changes in Net Position  
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,857,083	\$ 1,922,535	\$ 639,580	\$ 2,941,592	\$ 2,496,663	\$ 4,864,127
Operating grants/contr	7,214,954	11,509,632	98,651	128,507	7,313,605	11,638,139
Capital grants & contr	1,100,203	8,777,134	-	-	1,100,203	8,777,134
General revenues:						
Property taxes	23,639,914	22,118,188	2,977,652	-	26,617,566	22,118,188
Other taxes	12,060,120	12,372,202	-	-	12,060,120	12,372,202
Grants/contr not restr to specific programs					-	-
Other	1,983,498	1,372,098	156,132	94,871	2,139,630	1,466,969
<b>Total revenues</b>	<b>\$ 47,855,772</b>	<b>\$ 58,071,789</b>	<b>\$ 3,872,015</b>	<b>\$ 3,164,970</b>	<b>\$ 51,727,787</b>	<b>61,236,759</b>
<b>Expenses:</b>						
General government	8,185,077	7,682,334			8,185,077	7,682,334
Public safety	10,937,240	10,454,660			10,937,240	10,454,660
Transportation	1,061,559	1,054,785			1,061,559	1,054,785
Economic & physical dev	1,465,934	1,685,455			1,465,934	1,685,455
Human services	11,786,757	12,012,718			11,786,757	12,012,718
Cultural and recreation	1,904,157	1,699,894			1,904,157	1,699,894
Education	10,283,295	10,656,891			10,283,295	10,656,891
Interest on long-term debt	315,721	309,543			315,721	309,543
Environmental services			3,536,976	3,276,485	3,536,976	3,276,485
<b>Total expenses</b>	<b>\$ 45,939,740</b>	<b>\$ 45,556,280</b>	<b>\$ 3,536,976</b>	<b>\$ 3,276,485</b>	<b>\$ 49,476,716</b>	<b>48,832,765</b>
Incr (decr) in net position before trans/special items	1,916,032	12,515,509	335,039	(111,515)	2,251,071	12,403,994
Transfers	-	(325,000)	-	325,000	-	-
Gain/Loss on sale of assets	-	-	14,314	31,225	14,314	31,225
<b>Increase in net position</b>	<b>1,916,032</b>	<b>12,190,509</b>	<b>349,353</b>	<b>244,710</b>	<b>2,265,385</b>	<b>12,435,219</b>
<b>Net position, beginning</b>	<b>61,815,158</b>	<b>49,624,649</b>	<b>7,275,851</b>	<b>7,031,141</b>	<b>69,091,009</b>	<b>56,655,790</b>
<b>Net position, ending</b>	<b>\$ 63,731,190</b>	<b>\$ 61,815,158</b>	<b>\$ 7,625,204</b>	<b>\$ 7,275,851</b>	<b>\$ 71,356,394</b>	<b>69,091,009</b>

**Governmental activities:** Governmental activities increased the County's net position by \$1,916,032, mainly due to grants received for capital assets which are not a current expense, as well as American Rescue Plan Act Funds.

**Business-type activities:** Business-type activities increased Ashe County's net position by \$349,353, due to American Rescue Plan Act Funds.

**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**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.

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 \$19,448,583 while total fund balance was \$22,859,140. The NC State Treasurer recommends that the County maintain an available fund balance of at least 20% 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 43.83% of General Fund expenditures, while total fund balance represents 51.52% of that same amount. Of the total fund balance, the amount that was unassigned at year end was \$13,766,250.

At June 30, 2024, the governmental funds of Ashe County reported a combined fund balance of \$37,641,631, a 4.33 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 \$508,658. There was an increase of \$190,469 in the appropriation of fund balance, from \$4,328,082 to \$4,518,551.

**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 \$855,712, an increase of \$204,430. Total net position of the Environmental Services Fund increased by \$349,353, compared to an increase of \$244,710 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, 2024, totals \$57,042,668 (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:

- \* A lease agreement which was entered into with Enterprise Fleet Management during FY 22/23, added 21 new vehicles leased for public safety purposes this fiscal year.
- \* A new building constructed for emergency management.
- \* Various projects for parks and recreation.
- \* Continued construction of airport infrastructure.
- \* Phase II sitework at the Industrial Park.
- \* Purchase of land and equipment at the landfill.

**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 10,675,557	\$ 10,675,557	\$ 633,278	\$ 455,906	\$ 11,308,835	\$ 11,131,463
Buildings and system	20,966,608	21,268,553	3,448,773	3,452,912	24,415,381	24,721,465
Improv other than bldgs	2,117,066	1,999,351			2,117,066	1,999,351
Machinery and equip	2,601,442	2,454,883	3,146,230	3,421,633	5,747,672	5,876,516
Infrastructure	11,198,346	11,228,861			11,198,346	11,228,861
Vehicles & motorized equip	316,819	474,428			316,819	474,428
Construction in progress	1,938,549	1,555,315			1,938,549	
<b>Total</b>	<b>\$ 49,814,387</b>	<b>\$ 49,656,948</b>	<b>\$ 7,228,281</b>	<b>\$ 7,330,451</b>	<b>\$ 57,042,668</b>	<b>\$ 56,987,399</b>

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, 2024, Ashe County had no general obligation bonds outstanding.

Ashe County's total debt decreased by \$1,528,216 during the past fiscal year, primarily due to principal payments of \$1,793,216, less new debt of \$265,000.

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 2023-2024.**

- \* In FY 2023-2024, Ashe County's economy continued in a relatively level growth pattern. For FY 2024, sales tax collections from the prior year increased 0.5% for the twelve-month period and ended the year at 102.3%, \$252,000 over the budgeted amount. Sales tax revenues brought in \$11.1 million and have grown over 25% (\$2.5 million) since pre-pandemic levels. Occupancy Tax revenues for FY 2024 were almost \$569,000 which is slightly over one percent less than FY 2023. That said, Occupancy Tax revenue collections remain at almost 50% more than total collections prior to the pandemic. Current year Ad Valorem Tax collections percentages continue to increase each year due to diligent collection efforts in the tax department.
- \* Ashe County's labor force for FYE 2024 was 13,028 (not seasonally adjusted); 12,600 were employed and 428 were unemployed with the unemployment rate 3.3% for June 2024 compared to 3.1% in June of 2023. The largest industry sector in Ashe County remains Retail Trade. The next largest sectors include Health Care and Social Assistance, and Construction. Sectors with the highest average wages per worker are Utilities, Professional Scientific and Technical Services, and Management of Companies and Enterprises. The Agriculture industry plays a significant role in the economic outlook of Ashe County as it continues to be the largest Christmas tree producer in the eastern United States, selling approximately 2 million trees annually, with the closest other county producing anywhere near that same amount being in western Oregon.

**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

- \* Ashe County has a new Industrial Park underway, and its mission is to attract new businesses, support the expansion of existing businesses, and promote entrepreneurship while offering good-paying jobs. The property, located across from GE Aviation and adjacent to the Town of West Jefferson, contains approximately 42-acres and is positioned directly across from the county's existing industrial park. The county will offer five separate pad-ready lots for industrial purposes. The first phase (Phase I) of the project, which provided water and sewer, natural gas, 3-phase power, fiber optic hook-ups and paved roads to the lots was completed at a cost of \$1,384,000. Grant resources from Golden LEAF, Appalachian Regional Commission (ARC), and the NC Department of Commerce were secured to fund all but \$146,010 of Phase I. The next phase (Phase II) of the project which includes further site development and mass grading of Lots #3 and #5 is almost finished with a second Golden LEAF grant in the amount of \$920,034 and around \$100,000 of county funding. Phase III will be the construction of a 15,000 square foot shell building, expandable to 40,000 square foot in the park. A third Golden LEAF grant in the amount of \$1,425,000 has been awarded to the County toward construction of this approximate \$2,500,000 phase. Current design estimates show that with the \$1.425 M grant and over \$1 M remaining of the USDA REDLG loan proceeds, the county would need to provide only \$69,000 of additional funds to finish Phase III. The investment would provide a building for 30 new jobs with an average annual wage of \$42,900 at the new industrial park and the opportunity to expand. Bid solicitation will be held in fall of 2024 and the project is slated to begin in the spring of 2025.
- \* At FYE 2024, the General Fund Revenues totaled \$45,521,257, while General Fund Expenditures totaled \$40,558,711. The County revenues exceeded expenditures by \$4,962,546, therefore none of the \$4,518,551 of fund balance that was appropriated was actually spent.

**Next Year's Budget and Rates**

- \* The approved FY 2024-2025 General Fund budget is \$54,301,968. The ad valorem tax rate remains unchanged at \$0.44 cents. This includes approximately \$0.57425 cents (\$2,950,280) of ad valorem tax designated for Environmental Services as the County begins the second year of the trash decal system after dissolving the \$150 SWDF Household Fee at the of FY 2023. This change, in effect, requires all real and personal property owners to contribute in the cost of trash collection and disposal, not just homeowners.
- \* The FY 2025 budget includes funds for the implementation of a pay and classification study completed during the FY 2023-2024 fiscal year. The contracted study, validated as suspected, the concerns that Ashe County trails behind its market peers for most positions. Hopefully, implementing the recommendations from the study will allow the county to recruit and retain premium employees and combat some of the job market issues the County has been facing over recent years, such as losing fully trained employees to those very market peers to which we were compared. Increases were included for part-time hourly employees as well. The cost to retain the same benefits paid for by the county, such as health insurance, retirement, and 401(k) were also included in the budget. Some of those benefit costs, especially retirement rates set by the state, continue to increase substantially each year.
- \* This budget includes increases for App Healthcare, Ashe County Schools, and Ashe County Public Library. All of these organizations struggle with similar issues and have also had to address pay inequities within their organizations.
- \* The (new) courthouse with turn 24 years old during this budget cycle and the (new) jail with turn 14 years old. Included in this budget, to address the aging infrastructure issues within those buildings, are funds to look into a new HVAC system for the Courthouse, funds for the installation of new carpet on the second floor in the Courthouse to replace the original carpeting, and funds for new showers and drains in the detention center pods at the jail. Several other improvements on the County Complex Campus will also be addressed this next year.
- \* Funds are included for the first full year of the new ambulance contract with Ashe Medics. This contract includes an additional ambulance (to stay in the county if possible) and an additional 24/7 paramedic crew with a 3% annual increase built into the contract. The rate for the County EMS Service District remains the same with 4/10ths of 1 cent going to Ashe County Rescue Squad for their ongoing operations and debt service for their new satellite building located beside the recently 4-laned 221 South Highway in Baldwin.



**ASHE COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

- \* Professional Services monies in the amount of \$100,000 were included in the Parks and Recreation budget to begin the design phase for the new Family Central Recreation Center.
  
- \* The Enterprise Fund includes funds for Professional Services to complete the State Permitting Process for the next expansion (Phase III) at the county landfill. This process was successful and the Phase III permit for construction was secured by the County in July of 2024. Design work on the expansion will likely begin during FY 2024-2025 and construction could begin as early as FY 2025-2026. Also, in the planning stages, are preliminary plans for a new maintenance garage for the Department of Environmental Services to be located on Hwy 163 on land already owned by the county adjoining the new convenience center. Both projects could be combined for financing purposes which would be less expensive than two separate borrowings.
  
- \* During the month of August 2024, a ground breaking was held on the new Middle School site adjacent to the Ashe County High School property. Final bids on all phases of the project including construction will be received in November 2024 and financing for the remainder of the project should be secured in January of 2025. With most preliminary site work to be completed this fall, construction is expected to begin in the spring. Funds to pay the remaining debt service of \$44 M on the project have been committed by the Board of Commissioners (BOC) using the required set aside amounts of Article 40 and 42 sales tax dollars and from a prior commitment by the BOC of ad valorem tax to fund the remaining portion of the debt service payments. \$52 M of the \$96 M project has been secured from the NC Needs Based Lottery Fund.

**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](http://www.ashecountygov.com) for more information.

ASHE COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 26,523,204	\$ 5,741,026	\$ 32,264,230
Restricted cash	9,901,398		9,901,398
Receivables (net)	1,606,605	406,635	2,013,240
Lease receivable within one year	69,462		69,462
Due from other governments	3,656,446	80,050	3,736,496
Due from other funds	2,040		2,040
Net pension asset - ROD	42,615	-	42,615
Lease receivable, in more than one year	308,283		308,283
Right to use lease asset, net of amortization	1,480,058	30,621	1,510,679
Subtotal	<u>43,590,111</u>	<u>6,258,332</u>	<u>49,848,443</u>
Capital assets:			
Land, improvements, and construction in progress	12,614,106	633,278	13,247,384
Other capital assets, net of depreciation	37,200,281	6,595,005	43,795,286
Total capital assets	<u>49,814,387</u>	<u>7,228,283</u>	<u>57,042,670</u>
Total Assets	<u>\$ 93,404,498</u>	<u>\$ 13,486,615</u>	<u>\$ 106,891,113</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	\$ 5,373,122	\$ 366,304	\$ 5,739,426
OPEB deferrals	1,480,623	107,177	1,587,800
Total Deferred Outflows	<u>6,853,745</u>	<u>473,481</u>	<u>7,327,226</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,769,114	135,277	1,904,391
Advances from grantors	792,985		792,985
Due to other funds			-
Accrued interest payable	27,505	5,003	32,508
Long-term liabilities:			-
Net pension liabilities - LGERS	8,536,722	610,092	9,146,814
Total pension liabilities - LEOSSA	822,675		822,675
Total OPEB liability	7,388,204	534,803	7,923,007
Due within one year	1,910,385	255,519	2,165,904
Due in more than one year	11,398,787	4,560,360	15,959,147
Total Liabilities	<u>\$ 32,646,377</u>	<u>\$ 6,101,054</u>	<u>\$ 38,747,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	\$ 562,558	\$ 28,038	\$ 590,596
OPEB deferrals	2,843,086	205,800	3,048,886
Lease receivable, deferred	359,769	-	359,769
Prepaid taxes	115,263	-	115,263
Total Deferred Inflows of Resources	<u>\$ 3,880,676</u>	<u>\$ 233,838</u>	<u>\$ 4,114,514</u>
<b>NET POSITION</b>			
Net investment in capital assets	45,994,135	6,769,492	52,763,627
Restricted for:			
Capital projects (education)	6,131,701		6,131,701
Public safety	113,683		113,683
Human services	224,260		224,260
Register of deeds	163,690		163,690
Register of deeds pension plan	42,615		42,615
Stabilization by State statute	3,938,678		3,938,678
Unrestricted	7,122,428	855,712	7,978,140
Total Net Position	<u>\$ 63,731,190</u>	<u>\$ 7,625,204</u>	<u>\$ 71,356,394</u>

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

ASHE COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

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
<b>Primary government:</b>							
Governmental Activities							
General government	\$ 8,185,077	\$ 845,883	\$ -	\$ 5,000	\$ (7,334,194)	\$ -	\$ (7,334,194)
Public safety	10,937,240	668,254	1,162,211	89,999	(9,016,776)		(9,016,776)
Transportation	1,061,559	252,664		652,986	(155,909)		(155,909)
Economic and physical development	1,465,934	5,573	183,226	298,709	(978,426)		(978,426)
Human services	11,786,757	8,421	5,869,517		(5,908,819)		(5,908,819)
Cultural and recreation	1,904,157	76,288		50,000	(1,777,869)		(1,777,869)
Education	10,283,295			3,509	(10,279,786)		(10,279,786)
Interest on long-term debt	315,721				(315,721)		(315,721)
Total governmental activities	45,939,740	1,857,083	7,214,954	1,100,203	(35,767,500)		(35,767,500)
Business-type Activities:							
Environmental services	3,536,976	639,580	98,651			(2,798,745)	(2,798,745)
Total business-type activities	3,536,976	639,580	98,651			(2,798,745)	(2,798,745)
Totals	\$ 49,476,716	\$ 2,496,663	\$ 7,313,605	\$ 1,100,203	\$ (35,767,500)	\$ (2,798,745)	\$ (38,566,245)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					23,639,914	2,977,652	26,617,566
Local Option Sales tax					11,112,713		11,112,713
Other taxes and licenses					947,407		947,407
Grants and contributions not restricted to specific programs					6,797		6,797
Investment earnings, unrestricted					1,853,092	156,132	2,009,224
Miscellaneous, unrestricted					123,609		123,609
Gain on sale of assets						14,314	14,314
Transfers							-
Total general revenues, special items, and transfers					37,683,532	3,148,098	40,831,630
Change in net position					1,916,032	349,353	2,265,385
Net position -					61,815,158	7,275,851	69,091,009
Net position - ending					\$ 63,731,190	\$ 7,625,204	\$ 71,356,394

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

ASHE COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

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>	
<b>Assets</b>				
Cash & Investments	\$ 19,853,696	\$ -	\$ 6,769,508	\$ 26,623,204
Restricted Cash	348,024	6,919,657	2,533,717	9,801,398
Receivables (Net):				-
Taxes	1,196,262			1,196,262
Accounts	217,768		161	217,929
Due from Other Funds	46,327			46,327
Leases Receivable	377,745			377,745
Due from Other Governments	3,128,486	8,469	519,491	3,656,446
	<u>\$ 25,168,308</u>	<u>\$ 6,928,126</u>	<u>\$ 9,822,877</u>	<u>\$ 41,919,311</u>
Total Assets of Resources & Fund Balances				
<b>Liabilities</b>				
Accounts Payable & Accrued Liabilities	\$ 637,874	\$ 787,956	\$ 343,284	1,769,114
Due to Other Funds			44,287	44,287
Advances from Grants	-		792,985	792,985
Total Liabilities	<u>\$ 637,874</u>	<u>\$ 787,956</u>	<u>\$ 1,180,556</u>	<u>\$ 2,606,386</u>
<b>Deferred Inflows of Resources</b>				
Lease Receivable	\$ 359,769			359,769
Property Taxes Receivable	1,196,262	-	-	1,196,262
Prepaid Taxes	115,263			115,263
Total Deferred Inflows of Resources	<u>\$ 1,671,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,671,294</u>
<b>Fund Balances</b>				
Restricted for:				
Stabilization by State Statute	\$ 3,410,557	\$ 8,469	\$ 519,652	\$ 3,938,678
Register of Deeds	163,690			163,690
Human Services	70,962		153,298	224,260
School Capital Outlay		6,131,701		6,131,701
Public Safety			113,683	113,683
Committed for:				
Tax Revaluation	113,372			113,372
Human Services	15,588			15,588
Capital Projects	90,000		7,855,688	7,945,688
Assigned:				
Subsequent Year's Expenditures	5,228,721			5,228,721
Unassigned:	13,766,250			13,766,250
	<u>\$ 22,859,140</u>	<u>\$ 6,140,170</u>	<u>\$ 8,642,321</u>	<u>\$ 37,641,631</u>
Total Fund Balance				
	<u>\$ 25,168,308</u>	<u>\$ 6,928,126</u>	<u>\$ 9,822,877</u>	
Total Liabilities, Deferred Inflows of Resources & Fund Balances				

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

ASHE COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

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.	\$ 49,814,387
Right to use leased assets are not financial resources and therefore are not reported in the funds	1,480,058
Contributions to Pension Plans in the current fiscal year are deferred outflows of resources	1,490,417
Net pension asset - ROD	42,615
Contributions to OPEB plan in the current fiscal year are deferred outflows of resources	204,056
Deferred outflows of resources on the Statement of Net Position related to pensions, other than contributions	3,882,705
Deferred outflows of resources on the Statement of Net Position related to OPEB, other than contributions	1,276,567
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.	192,414
Deferred inflows of resources for taxes receivable on the Balance Sheet are added to net position	1,196,262
Deferred inflows of resources on the Statement of Net Position related to pensions	(562,558)
Deferred inflows of resources on the Statement of Net Position related to OPEB	(2,843,086)
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.	(13,336,677)
Net pension liability - LGERS	(8,536,722)
Net OPEB liability	(7,388,204)
Total pension liability - LEOSSA	(822,675)
Total difference	\$ 26,089,559
Total fund balance	\$ 37,641,631
Net position of governmental activities	\$ 63,731,190

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, 2024

	<u>Major Governmental Funds</u>		Non-Major Governmental Funds	Total Governmental Funds
	<u>General Fund</u>	<u>School Capital Projects</u>		
<b>Revenues</b>				
Ad Valorem Taxes	\$ 23,605,428	\$ -	\$ -	\$ 23,605,428
Local Option Sales Tax	11,112,713			11,112,713
Other Taxes	928,274			928,274
Unrestricted Intergovernmental Revenues	6,797			6,797
Restricted Intergovernmental Revenues	6,231,152	3,509	1,997,249	8,231,910
Licenses & Permits	481,226		286,409	767,635
Sales & Services	992,204		4,065	996,269
Investment Earnings	1,853,092	-		1,853,092
Miscellaneous	310,371		8,797	319,168
<b>Total Revenue</b>	<u>\$ 45,521,257</u>	<u>\$ 3,509</u>	<u>\$ 2,296,520</u>	<u>\$ 47,821,286</u>
<b>Expenditures</b>				
General Government	\$ 6,551,177	\$ -	\$ 286,409	\$ 6,837,586
Public Safety	11,199,053		355,772	11,554,825
Transportation	342,506			342,506
Economic & Physical Development	1,240,499		148,482	1,388,981
Human Services	10,617,189		773,992	11,391,181
Cultural & Recreational	2,047,691			2,047,691
Educational	7,269,229			7,269,229
Capital Outlay		3,014,066	1,912,187	4,926,253
Debt Services:				
Principal Retirement	1,276,183	425,000		1,701,183
Interest	135,184	180,250		315,434
<b>Total Expenditures</b>	<u>\$ 40,678,711</u>	<u>\$ 3,619,316</u>	<u>\$ 3,476,842</u>	<u>\$ 47,774,869</u>
Revenues Over (Under) Expenditures	<u>\$ 4,842,546</u>	<u>\$ (3,615,807)</u>	<u>\$ (1,180,322)</u>	<u>\$ 46,417</u>
<b>Other Financing Sources (Uses)</b>				
Lease Proceeds	1,249,993			1,249,993
Loan Proceeds	265,000			265,000
Operating Transfer - In	261,000	4,107,578	4,082,767	5,451,345
Operating Transfer - Out	(5,190,345)		(261,000)	(5,451,345)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (3,414,352)</u>	<u>\$ 4,107,578</u>	<u>\$ 821,767</u>	<u>\$ 1,514,993</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,428,194</u>	<u>\$ 491,771</u>	<u>\$ (358,555)</u>	<u>\$ 1,561,410</u>
Fund Balances:				
Beginning of Year,	<u>\$ 21,430,945</u>	<u>\$ 5,648,399</u>	<u>\$ 9,000,877</u>	<u>\$ 36,080,221</u>
End of Year	<u>\$ 22,859,139</u>	<u>\$ 6,140,170</u>	<u>\$ 8,642,322</u>	<u>\$ 37,641,631</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, 2024

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

Governmental funds report the initial cost of leased assets as expenditures. However, in the Statement of Activities the cost of the right to use the leased assets are allocated over the term of the lease and reported as amortization expense. This is the amount by which initial lease outlay exceeds (or is exceeded by) amortization in the current period. \$ 1,040,564

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. 157,441

Cost of capital assets disposed of during the year net of depreciation, not recognized on modified accrual. -

Cost of leased assets disposed of during year, net of amortization not recognized on modified accrual. (180,763)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 1,472,977

Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position. 17,440

Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position 204,056

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. 515,834

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 payable	1,491
Decrease (increase) in compensated absences	(90,129)
OPEB expense	(332,584)
Pension expense	(2,486,191)

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	59,250
Increase (Decrease) in accrued tax interest receivable at end of year	24,764
	354,622

Total difference	\$ 1,561,410
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Net changes in fund balances - total governmental funds	\$ 1,916,032
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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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 22,998,716	\$ 22,815,544	\$ 23,605,428	\$ 789,884
Local option sales tax	10,860,000	10,860,000	11,112,713	252,713
Other taxes	1,042,200	1,042,200	928,274	(113,926)
Unrestricted intergovernmental		5,800	6,797	997
Restricted intergovernmental	6,806,066	7,465,507	6,231,152	(1,234,355)
Licenses & Permits	474,100	468,096	481,226	13,130
Sales and services	883,000	883,000	992,204	109,204
Investment earnings	900,000	900,500	1,853,092	952,592
Miscellaneous	79,000	111,093	310,371	199,278
<b>Total Revenues</b>	<b>\$ 44,043,082</b>	<b>\$ 44,551,740</b>	<b>\$ 45,521,257</b>	<b>\$ 969,517</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	8,079,669	8,087,469	6,431,177	1,656,292
Public safety	9,937,677	10,677,357	11,199,053	(521,696)
Transportation	388,022	388,022	342,506	45,516
Economic and physical development	1,399,649	1,406,844	1,240,499	166,345
Human services	12,606,784	12,666,655	10,617,189	2,049,466
Cultural and recreational	2,187,771	2,379,865	2,047,691	332,174
<b>Intergovernmental</b>				
Education	7,269,286	7,269,286	7,269,229	57
<b>Debt service:</b>				
Principal retirement	1,211,047	1,276,184	1,276,183	1
Interest and other charges	127,414	135,184	135,184	-
Contingency fund	250,000	134,580		134,580
<b>Total expenditures</b>	<b>43,457,319</b>	<b>44,421,446</b>	<b>40,558,711</b>	<b>3,862,735</b>
<b>Revenues over (under) expenditures</b>	<b>\$ 585,763</b>	<b>\$ 130,294</b>	<b>\$ 4,962,546</b>	<b>\$ 4,832,252</b>
<b>Other financing sources (uses):</b>				
Loan and lease Proceeds		265,000	1,514,993	1,249,993
Transfer to other funds	(5,324,845)	(5,324,845)	(5,324,845)	-
Transfer from other funds	411,000	411,000	261,000	(150,000)
Appropriated fund balance	4,328,082	4,518,551		(4,518,551)
<b>Total other financing sources (uses)</b>	<b>(585,763)</b>	<b>(130,294)</b>	<b>(3,548,852)</b>	<b>(3,418,558)</b>
<b>Net change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,413,694</b>	<b>\$ 1,413,694</b>

**Fund Balances, General Fund:**

Beginning of year July 1	21,332,074
End of year June 30	\$ 22,745,768

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

Transfer in From General Fund	\$ 134,500
Expenditures	(120,000)

Fund Balance, Beginning Tax Revaluation	98,871
Fund Balance, Ending, Combined (Exhibit 4)	22,859,139

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



ASHE COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	<u>Environmental Services Fund</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash & Investments	\$ 5,741,026
Receivables (Net):	
SWDF	384,170
Accounts	22,465
Due From Other Governments	80,050
Total Current Assets	<u>\$ 6,227,711</u>
Non Current Assets:	
Right to Use Leased Asset Net of Amortization	\$ 30,621
Capital Assets, Net of Depreciation	7,228,283
Total Noncurrent Assets	<u>\$ 7,258,904</u>
Total Assets	<u>\$ 13,486,615</u>
<b><u>Deferred Outflows of Resources</u></b>	
Pension Deferrals	\$ 366,304
OPEB Deferrals	107,177
Total Deferred Outflows	<u>\$ 473,481</u>
<b><u>Liabilities and Net Position</u></b>	
Current Liabilities:	
Accounts Payable	\$ 135,277
Accrued Interest Payable	5,003
Current Portion of Notes Payable	253,240
Current Portion of Lease Liability	2,279
Total Current Liabilities	<u>\$ 395,799</u>
Noncurrent Liabilities:	
Net Pension Liabilities	\$ 610,092
Compensated Absences Payable	68,079
Other Post - Employment Benefits Payable	534,803
Accrued Landfill Closure and Postclosure Care Costs	4,258,388
Noncurrent Portion of Notes Payable	203,033
Noncurrent Portion of Lease Liability	30,860
Total Noncurrent Liabilities	<u>5,705,255</u>
Total Liabilities	<u>\$ 6,101,054</u>
<b><u>Deferred Inflows of Resources</u></b>	
Pension Deferrals	\$ 28,038
OPEB Deferrals	205,800
Total Deferred Outflows	<u>233,838</u>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	\$ 6,769,492
Unrestricted	855,712
Total Net Position	<u>\$ 7,625,204</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, 2024

	<u>Enterprise Fund</u> Environmental Services Fund
Operating Revenues:	
SWDF - Commercial Fees	\$ 486,015
SWDF - Household Fees (Releases/Writeoffs)	(17,509)
Recycling Revenues	160,574
Miscellaneous Revenue	10,500
Total Operating Revenues	<u>\$ 639,580</u>
Operating Expenses:	
Environmental Services - Collections	\$ 1,615,751
Environmental Services - Disposal	1,274,133
Depreciation	448,146
Amortization	2,848
Landfill Closure and Postclosure Care Costs	185,000
Total Operating Expenses	<u>\$ 3,525,878</u>
Operating Income (Net)	<u>\$ (2,886,298)</u>
Non-Operating Revenues and Expenses	
Contributions From Other Governments	\$ 6,000
Solid Waste Disposal Tax	24,858
Scrap Tire Disposal Tax and Grant	53,642
White Goods Disposal Tax and Grant	9,042
Electronics Management Distr.	5,109
Insurance Proceeds	-
Gain on Sale of Fixed Assets	14,314
Investment Earnings	156,132
Interest on Long - Term Debt	(10,009)
Interest on Lease Payment	(1,089)
Ad Valorem Taxes Designated for Environmental Services	2,977,652
Total Non-Operating Revenues and Expenses	<u>3,235,651</u>
Change in Net Position	\$ 349,353
Total Net Position, Beginning	<u>\$ 7,275,851</u>
Total Net Position, Ending	<u>\$ 7,625,204</u>

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, 2024

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 790,837
Cash paid for goods and services	(1,229,660)
Cash paid to employees for services	(1,488,601)
Net cash provided (used) by operating activities	<u>\$ (1,927,424)</u>
Cash flows from non-capital financing activities:	
Contributions from other governments	\$ 6,000
Disposal tax and grants	60,243
Ad valorem taxes designated for environmental services	2,977,652
Proceeds from insurance	-
Net cash provided (used) by non-capital financing activities	<u>\$ 3,043,895</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of fixed assets	\$ 14,314
Acquisition of capital assets	(345,977)
Proceeds from loan	-
Principal paid on loan	(248,026)
Loan interest paid	(13,746)
Principal paid on lease	(1,911)
Lease interest paid	(1,089)
Net cash provided (used) by capital and related financing activities	<u>(596,435)</u>
Cash flows from investing activities:	
Interest on investments	\$ 156,131
Net cash provided (used) by investing activities	<u>\$ 156,131</u>
Net increase (decrease) in cash and cash equivalents	\$ 676,167
Cash and cash equivalents, July 1	5,064,859
Cash and cash equivalents, June 30	<u><u>\$ 5,741,026</u></u>

ASHE COUNTY, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Reconciliation of operating income to net cash provided by  
operating activities:

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Operating income	\$ (2,886,298)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	448,146
Amortization	2,848
Landfill closure and postclosure care costs	185,000
Changes in assets, liabilities, and deferred outflows and inflows of resources:	
(Increase) decrease in accounts receivable	151,259
(Increase) decrease in deferred outflows of resources - pensions	(2,186)
(Increase) decrease in deferred outflows of resources - OPEB	(107,177)
Increase (decrease) in net pension liability	48,774
Increase (decrease) in net OPEB liabilities	49,156
Increase (decrease) in deferred inflows of resources - pensions	23,700
Increase (decrease) in deferred inflows of resources - OPEB	104,918
Increase (decrease) in accounts payable and accrued liabilities	55,343
Increase (decrease) in accrued vacation pay	(907)
Total adjustments	\$ 958,874
Net cash provided (used) by operating activities	\$ (1,927,424)

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, 2024

	<u>IRC 457 Deferred Compensation Plan</u>	<u>Custodial Funds</u>
<b><u>Assets</u></b>		
Cash & Cash Equivalents	\$ -	\$ 29,661
Taxes Receivable Fire Districts, net		144,720
Investments at Fair Value		
Domestic Equities	574,776	
Fixed Income	325,487	
<b>Total Assets</b>	<u>\$ 900,263</u>	<u>\$ 174,381</u>
<b><u>Liabilities</u></b>		
Due to Other Funds	\$ -	\$ 2,040
Due to Other Governments		142,680
<b>Total Liabilities</b>	<u>-</u>	<u>144,720</u>
<b><u>Net Position</u></b>		
Restricted For:		
Postemployment Benefits Other Than Pensions	\$ 900,263	\$ -
Individuals, Organizations, and Other Governments		29,661
<b>Total Fiduciary Net Position</b>	<u>\$ 900,263</u>	<u>\$ 29,661</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, 2024

	<u>IRC 457 Deferred Compensation Plan</u>	<u>Custodial Funds</u>
<b><u>Additions</u></b>		
Employee Contributions	\$ 2,865	\$ -
Investment Income:		
Interest, Dividends, Gains and Losses	109,660	
Ad Valorem Taxes Collected for Fire Districts		3,003,033
Collections on Behalf of Inmates		276,408
<b>Total Additions</b>	<b>\$ 112,525</b>	<b>\$ 3,279,441</b>
 <b><u>Deductions</u></b>		
Benefit Payments	\$ 20,243	\$ -
Asset Fees	4,798	
Tax Distributions to Fire Districts		3,003,033
Payments on Behalf of Inmates		291,584
<b>Total Deductions</b>	<b>25,041</b>	<b>3,294,617</b>
Net Increase (Decrease) in Fiduciary Net Position	87,484	(15,176)
Net Position - Beginning,	812,779	44,836
<b>Net Position - Ending</b>	<b>\$ 900,263</b>	<b>\$ 29,660</b>

\* 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, 2024

**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 equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

ASHE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 collections for the benefit of the inmates from their friends and families, plus any cash that was on them when booked.

*Nonmajor Funds* . The County maintains nine legally budgeted nonmajor funds. The Emergency Telephone System Fund, the 4-H Activities Fund, the DSS Representative Payee Fund, the American Rescue Plan Act Fund, the Deed of Trust Fund, and the Opioid Settlement Trust 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, 2024

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, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the American Rescue Plan Act Fund, the Opioid Settlement Trust Fund, the Economic Development Capital Projects Fund, and the CDBG Capital Projects Fund. The Landfill Closure and Postclosure Reserve Fund is consolidated with the enterprise fund for reporting purposes.

ASHE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 a restricted asset because its use is restricted per North Carolina General Statute 153A-150. Money in the Register of Deeds Automation Fund is classified as a restricted asset since its use is restricted by North Carolina General Statutes. Money in the School Capital Projects Fund, is classified as a restricted asset because its use is restricted per North Carolina General Statutes 159-18 through 22. There are unexpended loan proceeds in the Economic Development Fund that are also restricted.

The following is a summary of restricted cash:

ASHE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Ashe County Restricted Cash

Governmental Activities		
General Fund	Tax Revaluation	\$ 113,372
General Fund	Register of Deeds	163,690
General Fund	Human Services	70,962
ARPA Fund	Unassigned Proceeds	100,000
DSS Representative Fund	Human Services	55,455
Opioid Settlement Trust Fund	Unexpended Settlement Proceeds	841,411
School Capital Projects Fund	Education	6,919,657
E-911 Special Revenue Fund	Public Safety	154,306
4-H Special Revenue Fund	Human Services	60,303
Economic Development Fund	Unexpended Loan Proceeds	1,322,162
Total Governmental Activities		<u>\$ 9,801,318</u>
Business-Type Activities		
None		\$ -
Total Restricted Cash		<u>\$ 9,801,318</u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. As allowed by state law, the County has established a schedule of discounts that apply to taxes 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. Leases Receivable**

The County's leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**6. 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.

**7. Inventories**

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

**8. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value 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, \$10,000; infrastructure, \$100,000; furniture and equipment, \$10,000; computer software, \$10,000; and vehicles, \$10,000. 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.

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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	20-25
Computer software	5

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

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured (and reported as an asset) at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the vendor at the start of the subscription term. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

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.

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County 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, deferred lease receivable, and other OPEB and pension related deferrals.

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**10. Long-term Obligations**

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

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

**11. Compensated Absences**

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.

**12. Opioid Settlement Funds**

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

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

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

The County received \$598,670 as part of this settlement in Fiscal Year 2024. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. Funds expended in FY2024 were \$168,426.

The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 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.

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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.

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.

#### **14. 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.

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**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 \$26,089,559 consists of the following:

<u>Description</u>	<u>Amount</u>
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)	\$ 82,774,475
Less accumulated depreciation	(32,960,088)
Net capital assets	<u>\$ 49,814,387</u>
Right to use Leased Assets are not financial resources and therefore are not reported in the funds (net of amortization)	1,480,058
Net pension asset - ROD	42,615
Contributions to LGERS and ROD pension plans in current fiscal year are deferred outflows of resources	1,472,977
Benefit payments and admin cost for LEOSSA that are in deferred outflows	17,440
Contributions to OPEB plan in current fiscal year	204,056
Deferred outflows of resources related to pensions	3,882,705
Deferred outflows of resources related to OPEB	1,276,567
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	192,414
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide. (Taxes)	1,196,262
Deferred inflows of resources related to pensions	(562,558)
Deferred inflows of resources related to OPEB	(2,843,086)
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	(12,385,310)
Compensated absences	(923,862)
Accrued interest payable	(27,505)
Other postemployment benefits payable	(7,388,204)
Net pension liability - LGERS	(8,536,722)
Net pension liability - LEO	<u>(822,675)</u>
Total adjustment	<u><u>\$ 26,089,559</u></u>



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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 \$354,622 is comprised of the following:

<b>Description</b>	<b>Amount</b>
Initial cost of leased assets are reported as expenditures in the fund statements but reported as assets in the statement of activities.	\$ 1,375,045
Amortization expense, the allocation of right to use leased assets over the term of the lease, is recorded in the Statement of Activities but not in the funds.	(334,481)
Capital outlay expenditures are recorded in the fund statements but capitalized as assets in the statement of activities	2,399,223
Depreciation expense, the allocation of those assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(2,241,782)
Remaining cost of capital assets disposed of during the year are not recognized on modified accrual basis.	-
Remaining cost of leased assets disposed of during the year	(180,763)
New loan and lease 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.	(1,514,993)
Principal payments on loan and lease debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position in the government-wide statements.	1,837,323
Debt released with disposal of leased assets	193,504
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,472,977
Benefit payments and pension administration cost for LEOSSA that are deferred outflows of resources on the Statement of Net Position.	17,440
Contributions to the OPEB plan are deferred outflows of resources on the statement of Net Position	204,056
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)	1,491
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.	(90,129)
OPEB Expense	(332,584)
Pension expense	(2,486,191)

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

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Increase (Decrease) in deferred inflows - taxes receivable - at year end	59,250
Increase (Decrease) in accrued interest receivable on taxes at year end	(24,764)
Total adjustment	<u>\$ 354,622</u>

**II. Stewardship, Compliance, and Accountability**

**A. Excess of Expenditures over Appropriation**

**1. Public Safety:**

In the General Fund, expenditures in the function of Public Safety were over budget by \$521,696. This was due to new vehicle leases. The County has taken corrective action to address the issue in future fiscal years.

Specifically, in February of 2022, Ashe County signed a contract with Enterprise Rentals to lease vehicles for the Sheriff's department because the Sheriff could not find the new replacement vehicles he needed, which was happening nationwide. FY2022-2023, the first year that GASB 87 was implemented, the county received only two of the eighteen vehicles needed for the Sheriff's department and had to carry funds forward to FY2023-2024. Vehicles began to trickle in, but in the 4th quarter, eleven of them were delivered and the billing began. County finance staff (with input from the County auditor) had to create a system to set up all the individual spreadsheets and to record the related journal entries for the fiscal year. The Initial Lease Outlay and Lease Proceeds had a significant unexpected impact on the Law Enforcement departmental budget. The pass-through entries amounted to over one million dollars. This was discovered after the last meeting in June of 2024 so no budget amendments could be made. In FY2025, since the process has been developed, finance employees are recording the entries monthly and any needed budget amendments can be made throughout the year.

**2. DSS Representative Payee Special Revenue Fund:**

In the DSS Representative Payee Special Revenue fund, expenditures were over budget by \$61,815. The County has taken correction action to address the issue in future fiscal years.

Specifically, during the budget process in the spring, County finance examines the accounts to determine what year-end budget amendments still need to be made as well as estimate for the future fiscal year. Upon this review, it was found that the DSS Representative Payee Fund would need to be increased for FY2024 and FY2025 due to the increased amounts of funds that were passing through the fund during FY2024. The recommended and approved budget for FY2025 was increased from \$530,000 to \$630,000. The amendment for current year (FY2024) was accidentally omitted from the year end budget amendments presented to the Board of Commissioners for approval on June 3, 2024. The annual examination of funds will continue in the 4th quarter of each year and special effort will be made not to exclude funds from the budget amendments.

**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

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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, 2024, the County's deposits had a carrying amount of \$5,551,502 and a bank balance of \$6,058,767. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$5,558,767 in interest bearing deposits were covered by collateral held under the Pooling Method. At June 30, 2024, Ashe County had \$3,190 cash on hand.

**2. Investments**

At June 30, 2024, the County's investments consisted of \$36,655,777 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 \$900,263 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2020-21	\$ 1,589,977	\$ 520,717	\$ 2,110,694
2021-22	1,846,464	438,535	2,284,999
2022-23	1,876,160	276,734	2,152,894
2023-24	1,852,042	106,492	1,958,534
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Total	\$ 7,164,643	\$ 1,342,478	\$ 8,507,121
	<hr/>	<hr/>	<hr/>

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**4. Receivables**

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

	Accounts	Taxes & Related Accrued Interest	Due from Other Governments	Lease Receivable	Total
<b>Governmental Activities:</b>					
General	\$ 217,768	\$ 1,741,676	\$ 3,128,486	\$ 377,745	\$ 5,465,675
Other Governmental	161		527,960		528,121
Total receivables	217,929	1,741,676	3,656,446	377,745	5,993,796
Allowance for doubtful accounts		(353,000)			(353,000)
Total governmental activities	\$ 217,929	\$ 1,388,676	\$ 3,656,446	\$ 377,745	\$ 5,640,796
<b>Business-type Activities:</b>					
Environmental Services	406,635		80,050		\$ 486,685
Total receivables	406,635		80,050		486,685
Allowance for doubtful accounts					
Total-business-type activities	\$ 406,635	\$ -	\$ 80,050	\$ -	\$ 486,685

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

Local option sales tax	\$ 1,814,958
Sales tax and gas tax refund receivable	249,222
Scrap Tire and White Goods Disposal Tax	80,050
Restricted intergovernmental grants	1,512,216
Total	<u>\$ 3,656,446</u>

The County entered into a lease agreement with Carolina West Wireless that became in effective in April 2017, after an initial option period. Under the lease Carolina West Wireless pays the County for the use of a tract of land behind Westwood Elementary School to construct and maintain a cell tower. The initial term is 10 years automatically renewing for 5 additional 5 year terms. The rent is \$750 per month for the first 5 years, \$825 per month for the next 5 years, then increases by 10% at the beginning of each additional 5 year term. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%, which was the County's incremental borrowing rate at the date of the lease.

The County entered into a lease agreement with the U.S. Department of Agriculture effective August 1, 2020. Under the lease the USDA pays the County \$5,354 per month for the use of office space. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%, which was the County's incremental borrowing rate at the date of the lease. This lease ended August 1, 2023.

The County entered into a lease agreement with the U.S. Department of Agriculture effective August 1, 2023. Under the lease the USDA pays the County \$5,972 per month for the use of office space. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.53%, which is the County's current incremental borrowing rate.

In fiscal year 2024, the County recognized \$74,627 of lease revenue and \$13,611 of interest under these leases.

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**5. Capital Assets**

**Primary Government**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 10,675,557		\$ -	\$ 10,675,557
Construction in Progress	1,555,315	383,235		1,938,549
Total cap assets not being depreciated	<u>12,230,872</u>	<u>383,235</u>	<u>-</u>	<u>12,614,106</u>
<b>Capital assets being depreciated:</b>				
Buildings	35,798,966	384,508		36,183,474
Other improvements	7,055,817	322,619		7,378,436
Infrastructure	16,567,171	636,733		17,203,904
Equipment	5,986,260	600,292	-	6,586,552
Vehicles and motor equipment	3,408,491	71,836	672,324	2,808,003
Total capital assets being depreciated	<u>68,816,705</u>	<u>2,015,988</u>	<u>672,324</u>	<u>70,160,369</u>
Less accumulated depreciation for:				
Buildings	14,530,413	686,453		15,216,866
Other improvements	5,056,466	204,904		5,261,370
Infrastructure	5,338,310	667,248		6,005,558
Equipment	3,531,378	453,732		3,985,110
Vehicles and motor equipment	2,934,063	229,445	672,324	249,184
Total accumulated depreciation	<u>31,390,630</u>	<u>2,241,782</u>	<u>672,324</u>	<u>32,960,088</u>
Total capital assets being depreciated, net	<u>37,426,075</u>			<u>37,200,281</u>
<b>Governmental activity capital assets, net</b>	<u><u>\$ 49,656,947</u></u>			<u><u>\$ 49,814,387</u></u>

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

General government	\$ 445,005
Public safety	730,547
Transportation	673,129
Economic and physical development	25,386
Human services	68,216
Cultural and recreational	299,499
Total depreciation expense	<u><u>\$ 2,241,782</u></u>

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	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES:</b>				
<b>Environmental Services</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 455,906	\$ 177,372	\$ -	\$ 633,278
Construction in Progress				
Total cap assets not being depreciated	\$ 455,906	\$ 177,372	\$ -	\$ 633,278
<b>Capital assets being depreciated:</b>				
Building	283,698			283,698
Plant and distribution systems	5,082,828	60,000		6,648,130
Equipment	6,588,130	108,605	-	5,191,433
Total capital assets being depreciated	11,954,656	168,605	-	12,123,261
Less accumulated depreciation for:				
Building	115,844	6,448		122,292
Plant and distribution systems	1,797,770	106,296		1,904,066
Equipment	3,166,496	335,402		3,501,900
Total accumulated depreciation	5,080,110	448,146	-	5,528,258
Total cap assets being depreciated, net	\$ 6,874,546			\$ 6,595,003
<b>Environmental services capital assets, net</b>	<b>\$ 7,330,452</b>			<b>\$ 7,228,281</b>

**Construction commitments**

As of June 30, 2024, the County was well underway with Phase II of III of the new Ashe County Industrial Park with all funding for Phase II provided by a Golden LEAF grant and a small amount of REDLG loan proceeds. Phase III, which includes a 15,000 sq. ft. shell building, has been designed with a \$40,000 Golden LEAF grant. Bids will be let for construction of the shell building to begin in the spring of 2025. The County Commissioners have committed \$69,000 of funds on hand from the Economic Development Reserve fund toward the project to fill the gap between another awarded \$1.4 million Golden LEAF Grant and over \$1.3 million of the REDLG funds are still available to complete Phase III.

The construction contract for the Agriculture Building has been awarded and work has begun. The total construction will cost \$4.5 million. Multiple grants totaling \$1.3 million, a \$2.5 million award from the NC General Assembly, and small awards from local groups, will fund a total of over \$3.8 million of the project. The County Commissioners have committed to providing up to \$700,000 from reserves on hand in the Capital Projects - County Capital Fund to complete the funding gap for this project.

The County is exploring design and location for a new DSS Building and is in the initial planning stages of the project. Expected construction could begin within the next five years but no commitment has been made as of this writing.

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The new Ashe County Middle School project continues to move forward. The contract for GMP#1 for preliminary site development has been awarded at slightly over \$1.4 million. A groundbreaking was held in late summer and the sitework began in August of 2024. GMPs #2 and #3 are due to be opened in November of 2024 and the Guaranteed Maximum Price from CMAR (Vannoy Construction) is due to the County November 26, 2024. Financing for the estimated \$96 million project is expected to be finalized in January of 2025. \$52 million in funding for the school has been awarded from the NC Needs Based Lottery Funds. The financing is expected to be \$44 million with the first interest payment coming due in June of 2025. Article 40 and 42 sales tax - school set aside funds (approximately \$2 million annually), \$1.6 million of county ad valorem tax funds appropriated annually, and current reserves on hand will be used to pay the debt service on the project.

Lastly, Phase III of the County's lined landfill was permitted in July of 2024 by the State after years of work by the County and its engineers on getting the additional acreage permitted. Approval to send out RFQ's for qualified contractors was received from the Commissioners in September of 2024. The additional landfill cell is expected to cost between \$4 and \$6 million. The Board has also discussed building a new maintenance building for the Environmental Services department to house and maintain the trash trucks and landfill equipment on land already owned by the County. The current building has been used since the early 1970s and is very small and outdated. The Board may consider financing both projects together, which would increase the total cost of the Environmental Services Fund project to approximately \$10 to \$12 million, with financing possibly over a 20-year period. This financing could require additional tax dollars to cover the debt service of around 3 to 4 cents per \$100. The financing would need to be completed during the FY2025/2026 in order for the new cell to be ready by the time the current cell is filled to capacity.

**6. Right to Use Leased Assets**

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

Right to use asset activity for Governmental Activities for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
Right to use assets				
Leased land	\$ 110,951		\$ -	\$ 110,951
Leased computer equipment	927,574	186,982	351,115	763,441
Leased vehicles	81,374	1,188,063		1,269,437
Total right to use assets	1,119,899	1,375,045	351,115	2,143,829
Less accumulated amortization for:				
Leased land	5,412	2,706	-	8,118
Leased computer equipment	483,381	193,911	170,352	506,940
Leased vehicles	10,850	137,863		148,713
Total accumulated amortization	499,643	334,480	170,352	663,771
Right to use assets, net	\$ 620,256			\$ 1,480,058

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Right to use asset activity for Business-type Activities for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-Type Activities:</b>				
Right to use assets				
Leased land	\$ 39,166		\$ -	\$ 39,166
Total right to use assets	39,166	-	-	39,166
Less accumulated amortization for:				
Leased land	5,696	2,848	-	8,544
Total accumulated amortization	5,696	2,848	-	8,544
Right to use assets, net	<u>\$ 33,470</u>			<u>\$ 30,622</u>

**B. Liabilities**

**1. Payables**

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

	Vendors	Salaries and Benefits	Accrued Interest	Advances from Grantors	Total
<b>Governmental Activities:</b>					
General	\$ 637,874	\$ -	\$ 13,370	\$ -	\$ 651,244
Other Governmental	1,131,240		14,135	792,985	1,938,360
Total-governmental activities	<u>\$ 1,769,114</u>	<u>\$ -</u>	<u>\$ 27,505</u>	<u>\$ 792,985</u>	<u>\$ 2,589,604</u>
<b>Business-type Activities</b>					
Environmental services	\$ 135,277	\$ -	\$ 5,003	\$ -	\$ 140,280
Total-business-type activities	<u>\$ 135,277</u>	<u>\$ -</u>	<u>\$ 5,003</u>	<u>\$ -</u>	<u>\$ 140,280</u>

**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](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members



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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, 2024, was 14.04% of compensation for law enforcement officers and 12.90% 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 \$1,575,351 for the year ended June 30, 2024.

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

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

At June 30, 2024, the County reported a liability of \$9,146,814 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the County's proportion was 0.13811% which was a decrease of 0.01473% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$2,554,937. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<u>LGERS:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,019,226	\$ 21,942
Changes of assumptions	388,687	
Net difference between projected and actual earnings on pension plan investments	2,448,088	
Changes in proportion and differences between County contributions and proportionate share of contributions	60,469	398,425
County contributions subsequent to the measurement date	1,575,351	
Total	<u>\$ 5,491,821</u>	<u>\$ 420,367</u>

The \$1,575,351 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2025	\$ 1,280,881
2026	599,553
2027	1,512,150
2028	103,518
2029	
Thereafter	
Total	<u>\$ 3,496,102</u>

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

*Discount rate* . The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and that 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 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 15,846,496	\$ 9,146,814	\$ 3,631,008

*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.

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**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, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	32
Total	33

**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.

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, 2022 valuation. The total pension liability in the December 31, 2022 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	4.00 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.

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**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 \$31,270 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, 2024, the County reported a total pension liability \$822,675. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$93,974.

<u>LEOSSA:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,982	\$ 34,344
Changes of assumptions	133,834	130,907
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	17,440	
Total	\$ 223,256	\$ 165,251

The County paid \$17,440 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	Deferred Outflows	Deferred Inflows	Increase/ Decrease
2025	\$ 60,251	\$ 35,856	\$ 24,395
2026	58,746	35,198	23,548
2027	55,206	34,779	20,427
2028	14,829	33,173	(18,344)
2029	14,123	24,429	(10,306)
Thereafter	2,661	1,816	845
Total	\$ 205,816	\$ 165,251	\$ 40,565

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 4.31 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 902,114	\$ 822,675	\$ 750,983

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

	2023
Beginning balance	\$ 772,283
Service cost	44,309
Interest on the total pension liability	32,569
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(14,464)
Changes of assumption or other inputs	21,237
Benefit payments	(33,259)
Other changes	-
Ending balance of total pension liability	\$ 822,675

*Changes of assumptions* . Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at June 30, 2022 to 4.00 percent at June 30, 2023.

*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 statues (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

**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 G.S. 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, 2024 were \$88,272 for law enforcement officers and \$305,291 for non-law enforcement employees. No amounts were forfeited.

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**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 Register 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 27699-1410, by calling (919)981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. 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 \$3,082 for the year ended June 30, 2024.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (RODSPF)***

At June 30, 2024, the County reported an asset of \$42,615 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2023, the County's proportion was 0.35462% which was an increase of 0.01740% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of (\$7,695). At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>RODSPF:</u>		
Differences between expected and actual experience	\$ -	\$ 1,887
Changes in assumptions	-	
Net difference between projected and actual earnings on pension plan investments	21,646	
Changes in proportion and difference between County contributions and proportionate share of contributions	-	3,092
County contributions subsequent to the measurement date	3,083	
Total	\$ 24,729	\$ 4,979

The \$3,083 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expenses as follows:

**Year ended June 30:**

2025	\$	2,996
2026		6,022
2027		6,284
2028		1,365
2029		-
Thereafter		-
Total	\$	16,667

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, included inflation and productivity factor
Investment rate of return	3 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, 2022 valuation were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

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



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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 Bond Index External Investment Pool. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2023 is 0.78%.

The information above is based on 30 years expectations developed with the consulting actuary for the 2023 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
ROD County's proportionate share of the net pension asset (liability)	\$ (29,089)	\$ (42,615)	\$ (54,019)

*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, 2022, 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, 2023, with an actuarial valuation date of December 31, 2022. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

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	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 9,146,814	\$ (42,615)		\$ 9,104,199
Proportion of the Net Pension Liability (Asset)	0.13811%	-0.35462%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 822,675	\$ 822,675
Pension Expense	\$ 2,554,937	\$ 7,695	\$ 93,974	\$ 2,656,606

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows Resources</u></b>				
Difference between expected and actual experience	\$ 1,019,226	\$ -	\$ 71,982	\$ 1,091,208
Changes of assumptions	388,687	-	133,834	522,521
Net difference between projected and actual earnings on pensions plan investments	2,448,088	21,646	-	2,469,734
Changes in proportion and differences between County contributions and proportionate share of contributions	60,469	-		60,469
County contributions (LGERS, ROD)/ benefit payments and administration cost (LEOSSA) subsequent to the measurement date	1,575,351	3,083	17,440	1,595,874
Totals	<u>\$ 5,491,821</u>	<u>\$ 24,729</u>	<u>\$ 223,256</u>	<u>\$ 5,739,806</u>

**Deferred Inflows of Resources**

Difference between expected and actual experience	\$ 21,942	\$ 1,887	\$ 34,344	\$ 58,173
Changes of assumptions			130,907	130,907
Net difference between projected and actual earnings on pension plan investments				-
Changes in proportion and differences between County contributions and proportionate share of contributions	398,425	3,092	-	401,517
Total	<u>\$ 420,367</u>	<u>\$ 4,979</u>	<u>\$ 165,251</u>	<u>\$ 590,597</u>

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**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, 2023, the date of the latest actuarial valuation:

<u>HCB</u>	General Employees:	Law Enforcement Officers:	Totals:
Retirees and dependents receiving benefits	15	1	16
Terminated plan members entitled to but not yet receiving benefits	-	-	-
Active plan members	191	32	223
Total	<u>206</u>	<u>33</u>	<u>239</u>

**Total OPEB Liability**

The County's total OPEB liability of \$7,923,007 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Real Wage Growth	0.75 percent
Wage Inflation	3.25 percent
Salary increases, including wage inflation:	
General Employees	3.25 percent - 8.41 percent
Law Enforcement Officers	3.25 percent - 7.90 percent
Municipal Bond Index Rate	Prior Measurement date 3.54 percent Measurement date 3.65 percent
Healthcare cost trend rates	Medical and Prescription - 7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032.

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.

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

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2022</b>	\$ 7,608,472
<b>Changes for the year</b>	
Service cost	347,762
Interest	277,811
Changes of benefit terms	-
Differences between expected and actual experience	473
Changes in assumptions or other inputs	(92,677)
Benefit payments	(218,834)
<b>Net changes</b>	314,535
<b>Balance at June 30, 2023</b>	<b>\$ 7,923,007</b>

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

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>1 % Increase (4.65%)</b>
Total OPEB liability	\$ 8,812,137	\$ 7,923,007	\$ 7,134,957

*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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	\$ 6,899,858	\$ 7,923,007	\$ 9,148,644

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

For the year ended June 30, 2024 the County recognized OPEB expense of \$413,982. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 305,735	\$ 2,167,472
Changes of Assumptions	1,063,238	881,413
Benefit payments and administrative costs made subsequent to the measurement date	218,827	
Total	\$ 1,587,800	\$ 3,048,885

\$218,827 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2025	\$ (192,471)
2026	(166,083)
2027	(179,913)
2028	(249,460)
2029	(295,060)
Thereafter	(596,925)
Total	\$ (1,679,912)

**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.

**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

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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 \$4,258,388 reported as landfill closure and post closure care liability at June 30, 2024 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 9.47 years as of June 30, 2024. The County will recognize \$1,756,074 (for a total of \$6,014,464), 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 2023. The County expects to close the Ashe County facility in the year 2034. 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 \$92,476,020; 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 \$500,000 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 is bonded for \$1,000,000. The remaining employees who have access to funds are either individually bonded, or covered 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.

#### **5. Contingent Liabilities**

At June 30, 2024, 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.

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**6. Long-Term Obligations**

**a. Leases**

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

- a. An agreement was executed on May 15, 2017, to lease land for a 911 Tower and requires 45 annual payments of \$4,800. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of \$102,833 at June 30, 2024.
- b. An agreement was executed on April 22, 2022, to lease Pictometry Equipment for the tax office and requires 6 annual payments of \$62,123. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of zero at June 30, 2024.
- c. An agreement was executed on July 11, 2020, to lease Sparta Backup Rack Space and requires 48 monthly payments of \$720. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of \$8,154 at June 30, 2024.
- d. An agreement was executed on September 9, 2021, to lease Huntington Rubrick computer equipment, which is split between Data Processing at 40% and Social Services at 60%. The lease requires 5 annual payments of 36,048. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of \$42,506 at June 30, 2024.
- e. An agreement was executed on July 26, 2019, to lease Nutanix1 Node Software and Equipment, which is split between Data Processing at 40% and Social Services at 60%. The lease requires 5 annual payments of 32,743. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of zero at June 30, 2024.
- f. An agreement was executed on July 28, 2020, to lease Nutanix Storage for Social Services ,and requires 4 annual payments of \$8,039. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of zero at June 30, 2024.
- g. An agreement was executed on July 1, 2020, to lease Logan System Software and Equipment for the Register of Deeds, and requires 60 monthly payments of \$4,875. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of \$56,258 at June 30, 2024.

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- h. An agreement was executed on November 1, 2023, to lease New Nutanix Mitshubishi Equipment, which is split between Data Processing at 40% and Social Services at 60%. The lease requires 5 annual payments of \$40,335. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 4.5% which is the County's current incremental borrowing rate. As a result of the lease the County has recorded a right to use asset with a net book value of \$149,585 at June 30, 2024.
- i. A Master Equity Lease agreement was executed on February 15, 2022, to lease vehicles for Public Safety and generally requires 60 monthly payments per vehicle. Maintenance and other costs are additional. The lease liabilities are measured at discount rates of between 7.51% and 8.28%. As of June 30, 2024, there are 23 vehicles covered by this lease. As a result of the lease the County has recorded right to use assets with a total net book value of \$1,120,724 at June 30, 2024.
- j. An agreement was executed on January 1, 2020, to lease a plot of land on Hwy 16 for a Convenience Center for Environmental Services, and requires 30 semiannual payments of \$1,500. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3% which was the County's incremental borrowing rate at the date of agreement. As a result of the lease the County has recorded a right to use asset with a net book value of \$30,622 at June 30, 2024.

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

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 369,695	\$ 86,747	\$ 2,279	\$ 970
2026	295,925	65,509	2,603	897
2027	275,532	44,979	2,682	818
2028	281,434	24,279	2,764	736
2029	121,067	6,398	2,847	653
2030-2034	9,896	14,104	17,986	1,764
2035-2039	11,473	12,527	1,979	22
2040-2044	13,299	10,700		
2045-2049	15,418	8,582		
2050-2054	17,874	6,126		
2055-2059	20,720	3,279		
2060-2064	9,185	415		
Total Principal Payments	\$ 1,441,518		\$ 33,140	
Total Interest Payments		\$ 283,645		\$ 5,860

**b. 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, 2024 was

\$ 74,540



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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, 2024 was	250,000
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, 2024 was	8,945,000
d. Ashe County entered into an installment financing contract for \$1,360,000 dated June 17, 2022 with Blue Ridge Electric Membership Corporation, Inc. to enable the County to develop land for an Industrial Park. A security interest in a deposit account at First National Bank of Pennsylvania serves as collateral for the loan. The County shall repay this balance in 10 annual payments of \$136,000, beginning July 17, 2023. This is a 0% interest loan. In the event of default, the lender may demand payment, plus interest at a rate of 12% after default. The balance at June 30, 2024 was	1,088,000
e. Ashe County entered into an installment financing contract for \$256,896 dated January 5, 2022 with First National Bank of Pennsylvania, to supply the Ashe County Sheriff's Office with a jail camera system (collateral). The County shall repay this balance in 3 annual payments of \$87,218 including interest at 0.910% beginning January 5, 2023. In the event of default, the lender may demand full payment. The balance at June 30, 2024 was	86,388
f. Ashe County entered into an installment financing contract for \$265,000 dated October 6, 2023 with First National Bank of Pennsylvania, to install lighting at Family Central (collateral). The County shall repay this balance in 4 annual payments of \$72,906 including interest at 4.530% beginning June 1, 2024. In the event of default, the lender may demand full payment. The balance at June 30, 2024 was	199,864
Total	<u><u>\$ 10,643,792</u></u>

**Serviced by the Environmental Services Fund:**

a. Ashe County entered into an installment financing contract for \$500,000 dated February 23, 2022 with First National Bank of Pennsylvania, to enable the County to purchase an Articulated Dump Truck for Environmental Services (collateral). The County shall repay this balance in 10 semiannual payments of \$51,980 including interest at 1.860% beginning August 23, 2022. In the event of default, the lender may demand full payment. The balance at June 30, 2024 was	\$ 301,836
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b. Ashe County entered into an installment financing contract for \$747,547 dated December 2, 2019 with First National Bank of Pennsylvania, 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, 2024 was	154,438
Total	<u><u>\$ 456,274</u></u>

The future minimum payments as of June 30, 2024 for the County's installment purchases, including interest are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,540,690	\$ 234,760	\$ 253,240	\$ 8,531
2026	1,422,833	201,173	100,649	3,310
2027	1,385,268	169,762	102,385	1,575
2028	611,000	137,875		-
2029	611,000	127,250		
2030-2034	2,523,000	477,500		
2035-2039	2,125,000	212,500		
2040-4049	425,000	10,625		
Total Principal Payments	<u>\$ 10,643,791</u>		<u>\$ 456,274</u>	
Total Interest Payments		<u>\$ 1,571,445</u>		<u>\$ 13,416</u>

**c. Debt Related to Capital Activities**

Of the total Governmental Activities debt listed, \$3,858,792 relates to assets the County holds title. There was \$1,322,162 of unspent restricted cash related to this debt. 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.

**d. 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, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
<u>Governmental activities:</u>					
Leases	\$ 677,163	\$ 1,249,993	\$ 485,638	1,441,518	\$ 369,695
Direct placement					
installment purchases	11,924,008	265,000	1,545,216	10,643,792	1,540,690
Compensated absences	833,733	2,372,461	2,282,332	923,862	
Net pension liab. (LGERS)	8,061,043	475,679		8,536,722	
Net pension liab. (LEO)	772,283	50,392		822,675	
Net OPEB liability	7,123,051	265,153		7,388,204	
Other long-term debt	300,000			300,000	
Total governmental activities	<u>\$ 29,691,281</u>	<u>\$ 4,678,678</u>	<u>\$ 4,313,186</u>	<u>\$ 30,056,773</u>	<u>\$ 1,910,385</u>

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	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
<u>Business-type activities:</u>					
Leases	\$ 35,109	\$ -	\$ 1,969	\$ 33,140	\$ 2,279
Direct placement					
installment purchases	704,300		248,026	456,274	253,240
Accrued landfill closure and					
post closure care costs	4,073,388	185,000		4,258,388	
Compensated absences	68,986	42,721	43,628	68,079	
Net pension liab. (LGERS)	561,318	48,774		610,092	
Net OPEB liability	485,647	49,156		534,803	
 Total business-type activities	 \$ 5,928,748	 \$ 325,651	 \$ 293,623	 \$ 5,960,776	 \$ 255,519

**e. 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, 2024, 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, 2024, consists of the following:**

From the General Fund to the Economic Development Capital Projects Fund for Capital Projects	\$ 251,424
From the General Fund to the Government Buildings Capital Project Fund for Various Projects	831,343
From the General Fund to the School Capital Projects Fund for School Capital Projects/Debt Svc	4,107,578
To the General Fund from the Economic Development Capital Projects Fund for Capital Outlay	261,000
Total Transfers	<u>\$ 5,451,345</u>

**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	\$ 49,814,387	\$ 7,228,283
Debt for assets to which the County holds title	(3,858,792)	(456,273)
Right to use leased assets, net of amortization	1,480,058	30,622
Lease liabilities	(1,441,518)	(33,140)
Net investment in capital assets	<u>\$ 45,994,135</u>	<u>\$ 6,769,492</u>

ASHE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**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	\$ 22,859,140
Less:	
Stabilization by State Statute	3,410,557
Appropriated Fund Balance in 2025 budget	5,228,721
Register of Deeds	163,690
Tax Revaluation	113,372
Human Services	86,550
Culture and Recreation	90,000
Remaining Fund Balance	<u>\$ 13,766,250</u>

**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, 2024. 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, 2024. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$583,104 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.

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, 2024. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$660,000 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.

ASHE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The County also participates in a joint venture to operate VAYA Health with fifteen other local governments. Each participating government appoints one at-large member and one county commissioner member to the board of VAYA. The County has an ongoing financial responsibility for the joint venture because VAYA's continued existence depends on the participating governments' continued funding. None of the participating governments have an equity interest in VAYA, so no equity interest has been reflected in the financial statements at June 30, 2024. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$182,040 to VAYA to supplement its activities. Complete financial statements for VAYA Health can be obtained from its offices at 200 Ridgefield Court, Asheville, NC 28806.

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 \$634,658 to the community college for operating purposes, and \$20,000 for Capital Outlay during the fiscal year ended June 30, 2024. The participating governments do not have any equity interest in the joint venture; therefore no equity interest has been reflected in the County's financial statements at June 30, 2024. Complete financial statements for the 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 \$30,047 to the Council during the year ended June 30, 2024.

**VII. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

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

**VIII. Subsequent Events**

Subsequent events have been evaluated through the date these financial statements were available to be issued, November 26, 2024.

## **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 TEN FISCAL YEARS\*

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	2024 (6/30/23)	2023 (6/30/22)	2022 (6/30/21)	2021 (6/30/20)	2020 (6/30/19)	2019 (6/30/18)	2018 (6/30/17)	2017 (6/30/16)	2016 (6/30/15)	2015 (6/30/14)
Ashe County's proportion of the net pension liability (asset) (%)	0.13811%	0.15284%	0.14752%	0.14998%	0.14587%	0.13675%	0.14176%	0.14001%	0.14352%	0.14383%
Ashe County's proportion of the net pension liability (asset) (\$)	\$ 9,146,814	\$ 8,622,359	\$ 2,262,361	\$ 5,359,424	\$ 3,983,596	\$3,244,178	\$2,165,700	\$ 2,971,481	\$ 644,109	\$ (793,824)
Ashe County's covered-employee payroll	\$ 11,432,889	\$ 11,514,453	\$10,687,980	\$ 10,450,563	\$ 10,051,324	\$9,357,435	\$9,144,990	\$ 9,000,974	\$8,680,657	\$8,468,587
Ashe County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	80.00%	74.88%	21.17%	51.28%	39.63%	34.67%	23.68%	33.01%	7.42%	(9.37%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%

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

\*\* 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 TEN FISCAL YEARS

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,567,737	\$ 1,397,034	\$ 1,316,294	\$ 1,092,675	\$ 951,955	\$ 795,171	\$ 717,571	\$ 680,014	\$ 613,647	\$ 617,984
Contributions in relation to the contractually required contribution	1,567,737	1,397,034	1,316,294	1,092,675	951,955	795,171	717,571	680,014	613,647	617,984
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ashe County's covered-employee payroll	\$ 12,056,129	\$ 11,432,889	\$ 11,514,453	\$ 10,687,980	\$ 10,450,563	\$ 10,051,324	\$ 9,357,435	\$ 9,144,990	\$ 9,000,974	\$ 8,680,657
Contributions as a percentage of covered-employee payroll	13.00%	12.22%	11.43%	10.22%	9.11%	7.91%	7.67%	7.44%	6.82%	7.12%



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

REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	(6/30/23)	(6/30/22)	(6/30/21)	(6/30/20)	(6/30/19)	(6/30/18)	(6/30/17)	(6/30/16)	(6/30/15)	(6/30/14)
Ashe County's proportion of the net pension liability (asset) (%)	0.35462%	0.33722%	0.32477%	0.33084%	0.29806%	0.34716%	0.34341%	0.35570%	0.35099%	0.33547%
Ashe County's proportion of the net pension liability (asset) (\$)	\$ (42,615)	\$ (44,648)	\$ (62,398)	\$ (75,822)	\$ (58,843)	\$ (57,500)	\$ (58,617)	\$ (66,502)	\$ (81,338)	\$ (76,038)
Ashe County's covered-employee payroll	\$ 77,205	\$ 74,955	\$ 71,013	\$ 71,013	\$ 67,935	\$ 65,955	\$ 63,411	\$ 62,166	\$ 60,066	\$ 59,469
Ashe County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(55.20%)	(59.57%)	(87.87%)	(106.77%)	(86.62%)	(87.18%)	(92.44%)	106.97%	135.41%	(127.86%)
Plan fiduciary net position as a percentage of the total pension liability	135.74%	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	106.17%	197.29%	193.88%

\* 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 TEN FISCAL YEARS

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,083	\$ 3,165	\$ 3,866	\$ 3,898	\$ 3,168	\$ 2,833	\$ 2,971	\$ 2,984	\$ 2,906	\$ 2,809
Contributions in relation to the contractually required contribution	<u>3,083</u>	<u>3,165</u>	<u>3,866</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ashe County's covered-employee payroll	\$ 81,498	\$ 77,205	\$ 74,955	\$ 71,013	\$ 71,013	\$ 67,935	\$ 65,955	\$ 63,411	\$ 62,166	\$ 60,066
Contributions as a percentage of covered-employee payroll	3.78%	4.10%	5.16%	5.40%	4.46%	4.17%	4.50%	4.71%	4.67%	4.68%

ASHE COUNTY, NORTH CAROLINA  
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning Balance	\$ 772,283	\$ 812,651	\$ 836,239	\$ 526,078	\$ 508,267	\$ 566,036	\$ 432,049	\$ 401,379
Service Cost	44,309	65,682	62,000	36,047	31,660	28,627	33,573	29,018
Interest On The Total Pension Liability	32,569	17,829	15,749	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	(14,464)	81,425	(36,587)	33,103	(6,881)	(70,982)	70,776	-
Changes Of Assumptions Or Other Inputs	21,237	(164,815)	(24,261)	265,010	15,757	(16,412)	42,135	(11,209)
Benefit Payments	(33,259)	(40,489)	(40,489)	(40,489)	(40,489)	(16,626)	(28,622)	(1,442)
Other Changes					-	-	-	-
Ending Balance Of The Total Pension Liability	<u>\$ 822,675</u>	<u>\$ 772,283</u>	<u>\$ 812,651</u>	<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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability	\$ 822,675	\$ 772,283	\$ 812,651	\$ 836,239	\$ 526,078	\$ 508,267	\$ 566,036	\$ 432,049
Covered Payroll	\$1,585,597	\$ 1,699,110	\$ 1,498,430	\$ 1,456,654	\$ 1,315,775	\$ 1,418,836	\$ 1,456,412	\$ 1,131,985
Total Pension Liability as a Percentage of Covered Payroll	51.88%	45.45%	54.23%	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, 2024

<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 347,762	\$ 559,771	\$ 554,619	\$ 398,465	\$ 366,515	\$ 341,647	\$ 370,800
Interest	277,811	235,149	220,997	299,783	289,761	231,031	196,643
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences between expected and actual experience	473	(2,499,607)	(53,994)	(407,522)	(4,775)	940,524	60,135
Changes of assumptions	(92,677)	(896,956)	393,220	1,226,600	325,612	(262,884)	(405,079)
Benefit payments	(218,834)	(232,052)	(234,515)	(242,442)	(275,413)	(306,716)	(226,021)
<b>Net change in total OPEB liability</b>	<b>314,535</b>	<b>(2,833,695)</b>	<b>880,327</b>	<b>1,274,884</b>	<b>701,700</b>	<b>943,602</b>	<b>(3,522)</b>
<b>Total OPEB liability - beginning</b>	<b>7,608,472</b>	<b>10,442,167</b>	<b>9,561,840</b>	<b>8,286,956</b>	<b>7,585,256</b>	<b>6,641,654</b>	<b>6,645,176</b>
<b>Total OPEB liability - ending</b>	<b>\$ 7,923,007</b>	<b>\$ 7,608,472</b>	<b>\$ 10,442,167</b>	<b>\$ 9,561,840</b>	<b>\$ 8,286,956</b>	<b>\$ 7,585,256</b>	<b>\$ 6,641,654</b>
<b>Covered Payroll</b>	<b>\$ 10,445,474</b>	<b>\$ 10,445,474</b>	<b>\$ 9,873,411</b>	<b>\$ 9,873,411</b>	<b>\$ 9,203,269</b>	<b>\$ 9,203,269</b>	<b>\$ 8,626,036</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>75.85%</b>	<b>72.84%</b>	<b>105.76%</b>	<b>96.84%</b>	<b>90.04%</b>	<b>82.42%</b>	<b>77.00%</b>

**Notes to Schedule**

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

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

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
<b>Ad Valorem Taxes</b>			
Current Year	\$ -	\$ 25,567,292	\$ -
Taxes Designated to Environmental Services		(2,977,652)	
Prior Years		671,932	
Penalties & Interest		343,856	
Total	<u>\$ 22,815,544</u>	<u>\$ 23,605,428</u>	<u>\$ 789,884</u>
<b>Local Option Sales Taxes:</b>			
Article 39	\$ -	\$ 4,269,613	\$ -
Article 44		842,980	
Article 40 One-Half of One Percent		2,652,357	
Article 42 One-Half of One Percent		2,225,197	
Article 46 One-Fourth of One Percent		1,122,566	
Total	<u>\$ 10,860,000</u>	<u>\$ 11,112,713</u>	<u>\$ 252,713</u>
<b>Other Taxes</b>			
Video Programming Distribution	\$ -	\$ 57,385	\$ -
Gross Receipts Auto Tax		3,416	
Occupancy Tax		568,838	
Deed Stamp Excise Tax		298,635	
Medicaid Hold Harmless		-	
Total	<u>\$ 1,042,200</u>	<u>\$ 928,274</u>	<u>\$ (113,926)</u>
<b>Unrestricted Intergovernmental Revenues</b>			
Payments in Lieu of Taxes		\$ 6,797	\$ -
Total	<u>\$ 5,800</u>	<u>\$ 6,797</u>	<u>\$ 997</u>
<b>Restricted Intergovernmental Revenues</b>			
State Grants	\$ -	\$ 1,889,114	\$ -
Federal Grants		4,309,178	
Controlled Substance Tax		5,063	
Court Facility Fees		20,277	
ABC Profits for Law Enforcement		7,520	
Total	<u>\$ 7,465,507</u>	<u>\$ 6,231,152</u>	<u>\$ (1,234,355)</u>
<b>Licenses &amp; Permits</b>			
Gun Permits	\$ -	\$ 21,255	\$ -
Planning Department Fees		5,173	
Sheriff Department Fees and Reimb		8,238	
Building Permits		199,212	
Inspection Fees		56,388	
Privilege Licenses		1,840	
Road Signs		400	
Animal License & Adoption Fee		17,293	
Marriage License		4,450	
Register of Deeds		166,977	
Total	<u>\$ 468,096</u>	<u>\$ 481,226</u>	<u>\$ 13,130</u>

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Sales &amp; Services</b>			
ABC Board Dist/Drug Education Prog/Sheriff	\$ -	\$ 19,132	\$ -
Commercial Kitchen Usage Fees		17,626	
DSS Fees and Other Sales		559	
SRO Program from BOE		156,442	
Rents & Concessions		119,881	
Court Costs		38,031	
Jail Fees & Inmate Reimb. from Other Counties		147,214	
Drug Fines & Forfeitures		2,065	
Recreational Department		76,288	
Airport Revenues		252,664	
DMV Fees		122,675	
Tax Collection Fees		2,031	
Copy Fees & Other Sales		22,332	
Candidate Filing Fee		15,264	
Total	<u>\$ 883,000</u>	<u>\$ 992,204</u>	<u>\$ 109,204</u>
<b>Investment Earnings</b>			
Investment Earnings	\$ -	\$ 1,853,092	\$ -
Total	<u>\$ 900,500</u>	<u>\$ 1,853,092</u>	<u>\$ 952,592</u>
<b>Miscellaneous</b>			
National Policing Institute	\$ -	\$ 89,999	
HCCOG-Digital Inclusion Plan Project		7,500	
Lease Revenue		74,627	
Lease Interest Revenue		13,611	
Insurance Proceeds		55,037	
Sale of Assets & Materials		68,572	
Other Grants & Donations		1,025	
Total	<u>\$ 111,093</u>	<u>\$ 310,371</u>	<u>\$ 199,278</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 44,551,740</u></b>	<b><u>\$ 45,521,257</u></b>	<b><u>\$ 969,517</u></b>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Governing Body			
Salaries & Employee Benefits	\$ -	\$ 105,872	\$ -
Operating Expenses		151,625	
Capital Outlay		-	
Total	<u>\$ 261,930</u>	<u>\$ 257,497</u>	<u>\$ 4,433</u>
Administration			
Salaries & Employee Benefits	\$ -	\$ 292,790	\$ -
Operating Expenses		72,457	
Capital Outlay		-	
Total	<u>\$ 460,046</u>	<u>\$ 365,247</u>	<u>\$ 94,799</u>

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Finance			
Salaries & Employee Benefits	\$ -	\$ 533,171	\$ -
Operating Expenses		62,281	
Capital Outlay		-	
Total	<u>\$ 668,583</u>	<u>\$ 595,452</u>	<u>\$ 73,131</u>
Tax Administration			
Salaries & Employee Benefits	\$ -	\$ 992,079	\$ -
Operating Expenses		278,683	
Capital Outlay		-	
Total	<u>\$ 1,354,483</u>	<u>\$ 1,270,762</u>	<u>\$ 83,721</u>
Elections			
Salaries & Employee Benefits	\$ -	\$ 142,501	\$ -
Operating Expenses		142,594	
Capital Outlay		-	
Total	<u>\$ 313,906</u>	<u>\$ 285,095</u>	<u>\$ 28,811</u>
Register of Deeds			
Salaries & Employee Benefits	\$ -	\$ 363,374	\$ -
Operating Expenses		27,390	
Capital Outlay		-	
Total	<u>\$ 414,571</u>	<u>\$ 390,764</u>	<u>\$ 23,807</u>
Legal			
Contracted Services	\$ -	\$ 97,597	\$ -
Total	<u>\$ 258,400</u>	<u>\$ 97,597</u>	<u>\$ 160,803</u>
Data Processing (IT)			
Salaries & Employee Benefits	\$ -	\$ 373,985	\$ -
Operating Expenses		208,510	
Capital Outlay		-	
Lease Outlay		74,793	
Total	<u>\$ 683,207</u>	<u>\$ 657,288</u>	<u>\$ 25,919</u>
Courts			
Operating Expenses	\$ -	\$ 18,114	\$ -
Capital Outlay		-	
Total	<u>\$ 30,890</u>	<u>\$ 18,114</u>	<u>\$ 12,776</u>
Public Buildings			
Salaries & Employee Benefits	\$ -	\$ 524,229	\$ -
Operating Expenses		1,865,531	
Capital Outlay		103,601	
Total	<u>\$ 3,641,453</u>	<u>\$ 2,493,361</u>	<u>\$ 1,148,092</u>
<i>Total General Government</i>	<u>\$ 8,087,469</u>	<u>\$ 6,431,177</u>	<u>\$ 1,656,292</u>



ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Public Safety</b>			
Law Enforcement			
Salaries & Employees Benefits	\$ -	\$ 2,912,156	\$ -
Operating Expenses		458,045	
Capital Outlay		89,999	
Lease Outlay		1,097,687	
Total	<u>\$ 3,782,050</u>	<u>\$ 4,557,887</u>	<u>\$ (775,837)</u>
Corrections			
Salaries & Employee Benefits	\$ -	\$ 1,604,965	\$ -
Operating Expenses		1,003,751	
Capital Outlay		-	
Total	<u>\$ 2,782,682</u>	<u>\$ 2,608,716</u>	<u>\$ 173,966</u>
Ambulance & Rescue			
Ambulance Service - Contracted	\$ -	\$ 1,403,856	\$ -
Donation to Community Ambulance Services		20,000	
Rescue Unit		-	
Total	<u>\$ 1,423,856</u>	<u>\$ 1,423,856</u>	<u>\$ -</u>
Emergency Management			
Salaries & Employee Benefits	\$ -	\$ 160,438	\$ -
Operating Expenses		146,409	
Capital Outlay		384,508	
Total	<u>\$ 702,504</u>	<u>\$ 691,355</u>	<u>\$ 11,149</u>
Inspections			
Salaries & Employee Benefits	\$ -	\$ 388,068	\$ -
Operating Expenses		44,797	
Capital Outlay		38,258	
Total	<u>\$ 504,539</u>	<u>\$ 471,123</u>	<u>\$ 33,416</u>
Animal Control			
Salaries & Employee Benefits	\$ -	\$ 260,315	\$ -
Operating Expenses		63,036	
Capital Outlay		-	
Lease Outlay		84,378	
Total	<u>\$ 356,410</u>	<u>\$ 407,729</u>	<u>\$ (51,319)</u>
Fire			
Contracted and Professional Services	\$ -	\$ 126,622	\$ -
Contributions to Volunteer Fire Department		77,074	
Total	<u>\$ 203,696</u>	<u>\$ 203,696</u>	<u>\$ -</u>
E911 Coordinator			
Salaries & Employee Benefits	\$ -	\$ -	\$ -
Operating Expenses		5,849	
Capital Outlay		-	
Total	<u>\$ 10,090</u>	<u>\$ 5,849</u>	<u>\$ 4,241</u>

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Medical Examiner			
Contracted Services	\$ -	\$ 27,400	\$ -
Total	<u>\$ 30,750</u>	<u>\$ 27,400</u>	<u>\$ 3,350</u>
Communications			
Salaries & Employee Benefits	\$ -	\$ 681,112	\$ -
Operating Expenses		68,511	
Capital Outlay		-	
Total	<u>\$ 781,740</u>	<u>\$ 749,623</u>	<u>\$ 32,117</u>
E-911 Operations			
Operating Expenses	\$ -	\$ 51,819	\$ -
Capital Outlay		-	
Total	<u>\$ 99,040</u>	<u>\$ 51,819</u>	<u>\$ 47,221</u>
<i>Total Public Safety</i>	<u>\$ 10,677,357</u>	<u>\$ 11,199,053</u>	<u>\$ (521,696)</u>
<b>Transportation</b>			
Airport			
Salaries & Employee Benefits	\$ -	\$ 94,568	\$ -
Operating Expenses		247,938	
Capital Outlay		-	
<i>Total Transportation</i>	<u>\$ 388,022</u>	<u>\$ 342,506</u>	<u>\$ 45,516</u>
<b>Economic &amp; Physical Development</b>			
Planning & Zoning			
Salaries & Employee Benefits	\$ -	\$ 165,413	\$ -
Operating Expenses		19,637	
Capital Outlay		-	
Total	<u>\$ 216,867</u>	<u>\$ 185,050</u>	<u>\$ 31,817</u>
Economic Development			
Salaries & Employee Benefits	\$ -	\$ 93,917	\$ -
Operating Expenses		103,045	
Capital Outlay		-	
Total	<u>\$ 258,317</u>	<u>\$ 196,962</u>	<u>\$ 61,355</u>
Cooperative Extension			
Salaries & Employee Benefits	\$ -	\$ -	\$ -
Contracts		374,718	
Operating Expenses		63,391	
Capital Outlay		13,331	
Total	<u>\$ 512,332</u>	<u>\$ 451,440</u>	<u>\$ 60,892</u>
Soil Conservation			
Salaries & Employee Benefits	\$ -	\$ 134,566	\$ -
Operating Expenses		18,300	
Capital Outlay			
Total	<u>\$ 153,411</u>	<u>\$ 152,866</u>	<u>\$ 545</u>

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Donations & Subsidies			
Industry Incentives	\$ -	\$ 65,257	\$ -
Ashe County Farmers Market		-	
Ashe County Chamber of Commerce		188,924	
Total	<u>\$ 265,917</u>	<u>\$ 254,181</u>	<u>\$ 11,736</u>
<i>Total Economic &amp; Physical Development</i>	<u>\$ 1,406,844</u>	<u>\$ 1,240,499</u>	<u>\$ 166,345</u>
<b>Human Services</b>			
Health			
Contribution to District Health Dept.	<u>\$ 660,000</u>	<u>\$ 660,000</u>	<u>\$ -</u>
Mental Health			
ABC Rehab Tax Distribution	\$ -	\$ 7,526	\$ -
Professional Services		1,657	
District Mental Health Dept.		182,040	
Total	<u>\$ 190,566</u>	<u>\$ 191,223</u>	<u>\$ (657)</u>
Social Services			
Administration			
Salaries & Employee Benefits	\$ -	\$ 6,016,376	\$ -
Operating Expenses		633,530	
Lease Outlay		112,189	
Capital Outlay		33,578	
		<u>6,795,673</u>	
APS Essential Services		\$ 1,922	
Aid to the Blind		1,025	
Food Stamp Issuance Cost		5,914	
Special Assistance to Adults		242,306	
Medicaid Transportation		69,468	
Foster Care & Boarding Home		385,451	
Crisis Intervention Payments		22,774	
Adult Care		93,776	
Adoption Expenditures		122,710	
Work First & TNF Expenditures		40,782	
Low Income Energy Assistance Payments		68,510	
Other 100% County SS Expense		172,426	
Total Social Services	<u>\$ 10,035,919</u>	<u>\$ 8,022,737</u>	<u>\$ 2,013,182</u>
Veterans Service Officer			
Salaries & Employee Benefits	\$ -	\$ 69,841	\$ -
Operating Expenses		4,316	
Capital Outlay		-	
Total	<u>\$ 77,604</u>	<u>\$ 74,157</u>	<u>\$ 3,447</u>

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Donations and Subsidies			
JCPC Operational	\$ -	\$ 118,251	\$ -
A Safe Home for Everyone		30,000	
Ashe Co. Transportation Authority		152,410	
Adult Developmental Activities Program		74,153	
Blue Ridge Opportunity Commission		6,000	
Project Graduation		5,000	
Appalachian Senior Program		20,000	
Amorem Hospice House		50,000	
AMH/ Healthy Carolinas		450,000	
Hospitality House		10,000	
Blue Ridge RC & D		3,000	
Ashe Cemetery Committee		2,000	
Ashe County Hometown Heros		2,000	
Helton Community Center		15,000	
Wilkes Vocational Workshop		2,700	
Ashe Services for Aging		700,000	
Ashe Medication Assistance Program		12,000	
Mountain Farm Life Museum		619	
Keep Ashe Beautiful		6,000	
Riverview Community Center		3,000	
American Legion		1,439	
Todd Community Preservation Org		3,500	
Ashe Homeless Coalition		2,000	
Total	<u>\$ 1,702,566</u>	<u>\$ 1,669,072</u>	<u>\$ 33,494</u>
<i>Total Human Services</i>	<u>\$ 12,666,655</u>	<u>\$ 10,617,189</u>	<u>\$ 2,049,466</u>
<b>Cultural and Recreational</b>			
Parks & Recreation			
Salaries & Employee Benefits	\$ -	\$ 459,230	\$ -
Operating Expenses		275,036	
Capital Outlay		456,655	
Total	<u>\$ 1,424,928</u>	<u>\$ 1,190,921</u>	<u>\$ 234,007</u>
Contributions			
Contributions to Regional Library	\$ -	\$ 583,104	\$ -
Contribution to 1904 Courthouse		133,666	
Contributions to Ashe Co. Arts Council		140,000	
Total	<u>\$ 954,937</u>	<u>\$ 856,770</u>	<u>\$ 98,167</u>
<i>Total Cultural and Recreational</i>	<u>\$ 2,379,865</u>	<u>\$ 2,047,691</u>	<u>\$ 332,174</u>
<b>Education</b>			
Public Schools - Current Expense	\$ -	\$ 6,414,571	\$ -
Public Schools - Capital Outlay		200,000	
Public School - Technology Equipment		15,000	
Wilkes Comm. College - Current Expense		619,658	
Wilkes Comm. College - Capital Outlay		20,000	
<i>Total Education</i>	<u>\$ 7,269,286</u>	<u>\$ 7,269,229</u>	<u>\$ 57</u>

ASHE COUNTY, NORTH CAROLINA

EXHIBIT B - 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Debt Service</b>			
Principal - Public Buildings	\$ -	\$ 986,136	\$ -
Interest - Public Buildings		80,145	
Principal - Leases		290,047	
Interest - Leases		55,039	
	<u>\$ 1,411,368</u>	<u>\$ 1,411,367</u>	<u>\$ 1</u>
<i>Total Debt Service</i>			
	<u>\$ 134,580</u>	<u>\$ -</u>	<u>\$ 134,580</u>
<b>Contingency</b>			
	<u>\$ 44,421,446</u>	<u>\$ 40,558,711</u>	<u>\$ 3,862,735</u>
<b>TOTAL EXPENDITURES</b>			
	<u>\$ 130,294</u>	<u>\$ 4,962,546</u>	<u>\$ 4,832,252</u>
<b>Revenues Over (Under) Expenditures</b>			
<b>Other Financing Sources (Uses)</b>			
Proceeds from Loan	\$ 265,000	\$ 265,000	\$ -
Lease Proceeds	-	1,249,993	1,249,993
Operating Transfers - In (Out):			
From Capital Projects Fund	150,000	-	(150,000)
From Econ. Dev. Cap. Project Fund	261,000	261,000	-
To Revaluation Fund	(134,500)	(134,500)	-
To Capital Project Fund	(831,343)	(831,343)	-
To Econ. Dev. Capital Project Fund	(251,424)	(251,424)	-
To School Capital Project Fund	(4,107,578)	(4,107,578)	-
Appropriated Fund Balance	4,518,551	-	(4,518,551)
	<u>\$ (130,294)</u>	<u>\$ (3,548,852)</u>	<u>\$ (3,418,558)</u>
<b>Total Other Financing Sources (Uses)</b>			
<b>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other (Uses)</b>	<u>\$ -</u>	<u>\$ 1,413,694</u>	<u>\$ 1,413,694</u>
<b>Fund Balance</b>			
Beginning of Year, July 1		<u>21,332,074</u>	
End of Year, June 30		<u>\$ 22,745,768</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, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Investment Earnings	\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
General Government			
Tax Administration			
Salaries & Employee Benefits	\$ -	\$ -	\$ -
Operating Expenses		120,000	
Total General Government	134,500	120,000	14,500
<b>Total Expenditures</b>	\$ 134,500	\$ 240,000	\$ 14,500
Revenues Over (Under)			
Expenditures	\$ (134,500)	\$ (120,000)	\$ 14,500
Other Financing Sources(Uses)			
Transfer In-General Fund	\$ 134,500	\$ 134,500	\$ -
Fund Balance Appropriated	-	-	-
<b>Total Other Financing Sources</b>	\$ 134,500	\$ 14,500	\$ -
Excess of Revenues & Other			
Sources Over (Under)			
Expenditures	\$ -	\$ 14,500	\$ 14,500
Fund Balance, July 1		\$ 98,871	
Fund Balance, June 30		\$ 113,371	

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, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Restricted Intergovernmental Revenue			
Public School Building Capital Fund			
PSBRRF Lottery Funds	\$ 3,509	\$ 3,509	\$ -
Investment Earnings		-	-
<b>Total Revenues</b>	<u>\$ 3,509</u>	<u>\$ 3,509</u>	<u>\$ -</u>
<b>Expenditures:</b>			
Education Capital Outlay:			
PSBRRF Projects	\$ -	\$ 3,509	\$ -
Professional Services/ACMS		3,010,557	
ACMS Construction		-	
Total	<u>\$ 7,416,538</u>	<u>\$ 3,014,066</u>	<u>\$ 4,402,472</u>
Debt Service:			
CPL Principal	\$ -	\$ 425,000	\$ -
CPL Interest		180,250	
Total	<u>\$ 605,250</u>	<u>\$ 605,250</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<u>\$ 8,021,788</u>	<u>\$ 3,619,316</u>	<u>\$ 4,402,472</u>
Revenues Over (Under) Expenditures	<u>\$ (8,018,279)</u>	<u>\$ (3,615,807)</u>	<u>\$ 4,402,472</u>
<b>Other Financing Sources &amp; Uses</b>			
Transfer from General Fund	\$ 4,107,578	\$ 4,107,578	\$ -
Fund Balance Appropriated	3,910,701		(3,910,701)
<b>Total Other Financing Sources &amp; Uses</b>	<u>\$ 8,018,279</u>	<u>\$ 4,107,578</u>	<u>\$ (3,910,701)</u>
Revenues and Other Sources			
Over (Under) Expenditures & Other Uses	<u>\$ -</u>	\$ 491,771	<u>\$ 491,771</u>
Fund Balance, July 1		<u>\$ 5,648,399</u>	
Fund Balance, June 30		<u>\$ 6,140,170</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.
- \* ARPA Fund - This fund accounts for the revenues and expenditures of the American Rescue Plan Act.
- \* Deed of Trust Fund - This fund accounts for revenues collected from Deed Stamp fees that must be remitted to the State.
- \* Opioid Settlement Trust Fund - This fund accounts for revenues and expenditures of Opioid Settlement Trust Fund monies.

### *Capital Projects Funds*

- \* CDBG Capital Project Fund - The County uses this fund to account for capital outlay funded by Community Development Block Grant 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, 2024

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Special Revenues Funds</u>	<u>Capital Projects Funds</u>			<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>Emergency Telephone System Fund</u>	<u>4-H Program Activities Fund</u>	<u>DSS Representative Payee Fund</u>	<u>ARPA Fund</u>	<u>Deed of Trust Fund</u>	<u>Opioid Settlement Fund</u>		<u>CDBG Fund</u>	<u>Government Building Fund</u>	<u>Economic Development Fund</u>		
<b><u>Assets</u></b>												
Cash & Cash Equiv.	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 15	\$ 6,769,493	\$ -	6,769,508	6,769,508
Restricted Cash	154,306	60,383	55,455	100,000		841,411	1,211,555			1,322,162	1,322,162	2,533,717
Accounts Receivable	161						161				-	161
Due from Other Gov.	29,186						29,186	5,999	185,597	298,709	490,305	519,491
<b>Total Assets</b>	<b>\$ 183,653</b>	<b>\$ 60,383</b>	<b>\$ 55,455</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 841,411</b>	<b>\$ 1,240,902</b>	<b>\$ 6,014</b>	<b>\$ 6,955,090</b>	<b>\$ 1,620,871</b>	<b>\$ 8,581,975</b>	<b>\$ 9,822,877</b>
<b><u>Liabilities &amp; Fund Bal.</u></b>												
<b>Liabilities</b>												
Accounts Payable	\$ 1,008	\$ -	\$ 2,155	\$ -	\$ -	\$ 148,426	\$ 151,589	\$ 15	\$ 32,185	\$ 159,495	\$ 191,695	\$ 343,284
Due to Other Funds							-	4,880		39,407	44,287	44,287
Advance from Grantors				100,000		692,985	792,985				-	792,985
<b>Total Liabilities</b>	<b>\$ 1,008</b>	<b>\$ -</b>	<b>\$ 2,155</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 841,411</b>	<b>\$ 944,574</b>	<b>\$ 4,895</b>	<b>\$ 32,185</b>	<b>\$ 198,902</b>	<b>\$ 235,982</b>	<b>\$ 1,180,556</b>
<b>Fund Balance</b>												
Restricted:												
By State Statute	\$ 29,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,347	\$ 5,999	\$ 185,597	\$ 298,709	\$ 490,305	\$ 519,652
For E911	153,298						153,298					153,298
For Human Services		60,383	53,300				113,683					113,683
Committed:												
For Capital Projects								(4,880)	6,737,308	1,123,260	7,855,688	7,855,688
Unassigned												
<b>Total Fund Balance</b>	<b>\$ 182,645</b>	<b>\$ 60,383</b>	<b>\$ 53,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 296,328</b>	<b>\$ 1,119</b>	<b>\$ 6,922,905</b>	<b>\$ 1,421,969</b>	<b>\$ 8,345,993</b>	<b>\$ 8,642,321</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 183,653</b>	<b>\$ 60,383</b>	<b>\$ 55,455</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 841,411</b>	<b>\$ 1,240,902</b>	<b>\$ 6,014</b>	<b>\$ 6,955,090</b>	<b>\$ 1,620,871</b>	<b>\$ 8,581,975</b>	<b>\$ 9,822,877</b>

ASHE COUNTY, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds						Total Nonmajor Special Revenue Funds	CDBG Fund	Government Buildings Fund	Economic Development Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Emergency Telephone System Fund	4-H Program Activities Fund	DSS Representative Payee Fund	ARAP Fund	Deed of Trust Fund	Opioid Settlement Fund						
<b>Revenues</b>												
Restr. Ingergov. Revenues	\$ 182,364		\$ 546,282			\$ 168,426	\$ 897,072	\$ 148,482	\$ 652,986	\$ 298,709	\$ 1,100,177	\$ 1,997,249
Fund Raising & Other Rev.		3,797					3,797		5,000		5,000	8,797
Sales & Service Permits & Fees		4,065				286,409	4,065				-	4,065
						286,409	286,409				-	286,409
<b>Total Revenues</b>	<u>\$ 182,364</u>	<u>\$ 7,862</u>	<u>\$ 546,282</u>	<u>\$</u>	<u>\$ 286,409</u>	<u>\$ 168,426</u>	<u>\$ 1,191,343</u>	<u>\$ 148,482</u>	<u>\$ 657,986</u>	<u>\$ 298,709</u>	<u>\$ 1,105,177</u>	<u>\$ 2,296,520</u>
<b>Expenditures</b>												
General Gov.	\$ -	\$ -	\$ -	\$	\$ 286,409		\$ 286,409	\$ -	\$ -	\$ -	\$ -	\$ 286,409
Public Safety	355,772						355,772					355,772
Human Services		13,751	591,815			168,426	773,992					773,992
Capital Outlay							-	1,575,640	336,547		1,912,187	1,912,187
Econ. Develop.							-	148,482			148,482	148,482
<b>Total Expenditures</b>	<u>\$ 355,772</u>	<u>\$ 13,751</u>	<u>\$ 591,815</u>	<u>\$</u>	<u>\$ 286,409</u>	<u>168,426</u>	<u>\$ 1,416,173</u>	<u>\$ 148,482</u>	<u>\$ 1,575,640</u>	<u>\$ 336,547</u>	<u>\$ 2,060,669</u>	<u>\$ 3,476,842</u>
Revenues Over (Under) Expenditures	\$ (173,408)	\$ (5,889)	\$ (45,533)	\$	\$ -	-	\$ (224,830)	\$ -	\$ (917,654)	\$ (37,838)	\$ (955,492)	\$ (1,180,322)
Other Financing Sources												
Transfer-In							-	831,343	251,424		1,082,767	1,082,767
Transfer-Out								-	261,000		261,000	261,000
Net Change in Fund Balance	(173,408)	(5,889)	(45,533)		-	-	(224,830)	-	(86,311)	(47,414)	(133,725)	(358,555)
Fund Balance, beginning	356,053	66,272	98,833		-	-	521,158	1,119	7,009,216	1,469,383	8,479,718	9,000,876
							-					-
Fund Balance, ending	<u>\$ 182,645</u>	<u>\$ 60,383</u>	<u>\$ 53,300</u>	<u>\$</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,328</u>	<u>\$ 1,119</u>	<u>\$ 6,922,905</u>	<u>\$ 1,421,969</u>	<u>\$ 8,345,993</u>	<u>\$ 8,642,321</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, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Restricted Intergovernmental:			
E911 Wireless Surcharge	\$ 181,246	\$ 181,245	\$ (1)
State PSAP Grant		1,119	1,119
<b>Total Revenues</b>	\$ 181,246	\$ 182,364	\$ 1,118
<b>Expenditures</b>			
<u>Public Safety :</u>			
Wireless E911 Communications:			
Operating Expenses	\$ -	\$ 96,448	\$ -
Capital Outlay		259,324	
<b>Total Expenditures</b>	\$ 414,246	\$ 355,772	\$ 58,474
Excess of Revenues Over (Under) Expenditures	\$ (233,000)	\$ (173,408)	\$ 59,592
Other Financing Sources (Uses)			
Transfer in from General Fund	-		-
Appropriated Fund Balance	233,000		(233,000)
Excess of Revenues & Other Sources Over (Under) Expenditures	\$ -	\$ (173,408)	\$ (173,408)
Fund Balance, July 1		356,053	
Fund Balance, June 30		182,645	

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, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b><u>Restricted Intergovernmental Revenue:</u></b>			
State Grants	\$ -	\$ -	\$ -
Federal Grants			
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Sales and Service:</u></b>			
Program Fees	\$ -	\$ 4,065	\$ -
Total	<u>\$ 17,000</u>	<u>\$ 4,065</u>	<u>\$ (12,935)</u>
<b><u>Other Revenues:</u></b>			
Donations	\$ -	\$ 3,564	\$ -
Total	<u>\$ 45,000</u>	<u>\$ 3,564</u>	<u>\$ (41,436)</u>
<b><u>Miscellaneous Revenues:</u></b>			
4-H General	\$ -	\$ 233	\$ -
Total	<u>\$ 45,000</u>	<u>\$ 233</u>	<u>\$ (44,767)</u>
<b>Total Revenues</b>	<u>\$ 107,000</u>	<u>\$ 7,862</u>	<u>\$ (99,138)</u>
<b><u>Expenditures</u></b>			
General 4-H			
Salaries & Employee Benefits	\$ -	\$ -	\$ -
Operating Expenses		13,751	
Capital Outlay			
Total		<u>13,751</u>	
<b>Total Expenditures</b>	<u>\$ 107,000</u>	<u>\$ 13,751</u>	<u>\$ 93,249</u>
Revenues Over (Under) Expenditures	\$ -	\$ (5,889)	\$ (5,889)
Fund Balance Adjustment			
Other Financing Sources			
Fund Balance Appropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues & Other Sources			
Over (Under) Expenditures	<u>\$ -</u>	\$ (5,889)	<u>\$ (5,889)</u>
Fund Balance, July 1		\$ 66,272	
4-H Afterschool Fund Balance Merged with 4-H Activities Fund			
Fund Balance, June 30		<u>\$ 60,383</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, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Restricted Intergovernmental Revenue	\$ 530,000	\$ 546,282	\$ 16,282
			-
<b>Total Revenues</b>	\$ 530,000	\$ 546,282	\$ 16,282
<b>Expenditures</b>			
Human Services			
Payments made for benefit of beneficiaries	\$ 530,000	\$ 591,815	\$ (61,815)
<b>Total Expenditures</b>	\$ 530,000	\$ 591,815	\$ (61,815)
Excess of Revenues Over (Under)			
Expenditures	\$ -	\$ (45,533)	\$ (45,533)
Excess of Revenues & Other			
Sources Over (Under)			
Expenditures	\$ -	\$ (45,533)	\$ (45,533)
Fund Balance, July 1		98,833	
Fund Balance, June 30		\$ 53,300	

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Permits and fees			
Register of deeds	\$ 350,000	\$ 286,409	\$ (63,591)
<b>Total Revenues</b>	<u>\$ 350,000</u>	<u>\$ 286,409</u>	<u>\$ (63,591)</u>
<b>Expenditures</b>			
General Government			
Payments of fees collected to the State of North Carolina	\$ 350,000	\$ 286,409	\$ 63,591
<b>Total Expenditures</b>	<u>\$ 350,000</u>	<u>\$ 286,409</u>	<u>\$ 63,591</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Excess of Revenues & Other Sources Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Fund Balance, July 1		\$ -	
Fund Balance, June 30		<u><u>\$ -</u></u>	

ASHE COUNTY, NORTH CAROLINA  
OPIOID SETTLEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues</b>					
Restricted Intergovernmental Revenue					
NC Opioid Settlement Disb	\$ -	\$ 5,686	\$ -	\$ 5,686	\$ -
Opioid Bankruptcy Settlement Disb		14,314	168,426	182,740	
<b>Total Revenues</b>	<u>\$ 901,709</u>	<u>\$ 20,000</u>	<u>\$ 168,426</u>	<u>\$ 188,426</u>	<u>\$ 713,283</u>
<b>Expenditures</b>					
Human Services					
Operating Expenses	\$ -	\$ 20,000	\$ 168,426	\$ 188,426	\$ -
	<u>\$ 901,709</u>	<u>\$ 20,000</u>	<u>\$ 168,426</u>	<u>\$ 188,426</u>	<u>\$ 713,283</u>
<b>Total Expenditures</b>	<u>\$ 901,709</u>	<u>\$ 20,000</u>	<u>\$ 168,426</u>	<u>\$ 188,426</u>	<u>\$ 713,283</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Financing Sources</b>					
Fund Balance Appropriated	-	-	-	-	-
<b>Total Other Financing Sources</b>	<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>	<u>\$ -</u>
Fund Balance, July 1			<u>\$ -</u>		
Fund Balance, June 30			<u>\$ -</u>		

ASHE COUNTY, NORTH CAROLINA  
CDBG 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, 2024

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
<b>Revenues</b>					
<b>Restricted Intergovernmental Revenues:</b>					
CDBG Neighborhood Revitalization Grant # 19-C-3123	\$ 750,000	\$ 315,261	\$ 142,848	\$ 458,109	\$ (291,891)
CDBG Coronavirus Grant Grant #20-V-3509	900,000	153,957	5,634	159,591	(740,409)
<b>Total Revenues</b>	<u>\$ 1,650,000</u>	<u>\$ 469,218</u>	<u>\$ 148,482</u>	<u>\$ 617,700</u>	<u>\$ (1,032,300)</u>
<b>Expenditures</b>					
Neighborhood Revitalization:					
Housing Rehabilitation	\$ 575,000	\$ 290,675	\$ 138,015	\$ 428,690	\$ 146,310
Emergency Repairs	100,000	1,350		1,350	\$ 98,650
Administration and Planning	75,000	22,566	4,833	27,399	47,601
Total	<u>\$ 750,000</u>	<u>\$ 314,591</u>	<u>\$ 142,848</u>	<u>\$ 457,439</u>	<u>\$ 292,561</u>
Coronavirus Program:					
Public Service (Subsistence Pmts)	\$ 810,000	\$ 78,508	\$ 634	\$ 79,142	\$ 730,858
Administration and Planning	90,000	75,000	5,000	80,000	10,000
Total	<u>\$ 900,000</u>	<u>\$ 153,508</u>	<u>\$ 5,634</u>	<u>\$ 159,142</u>	<u>\$ 740,858</u>
<b>Total Expenditures</b>	<u>\$ 1,650,000</u>	<u>\$ 468,099</u>	<u>\$ 148,482</u>	<u>\$ 616,581</u>	<u>\$ 1,033,419</u>
Revenue Over (Under) Expenditures	\$ -	\$ 1,119	\$ -	\$ 1,119	\$ 1,119
<b>Other Financing Sources</b>					
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 1,119</u>
Fund Balance, July 1			<u>\$ 1,119</u>		
Fund Balance, June 30			<u>\$ 1,119</u>		



ASHE COUNTY, NORTH CAROLINA  
GOVERNMENT BUILDINGS CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Restricted Intergovernmental Revenue			
Federal and State Airport Grants	\$ 1,860,000	\$ 652,986	\$ (1,207,014)
Tobacco Trust Fund Grant	500,000		(500,000)
Agr Dev Adfp Trust Fund Grant	200,000		(200,000)
Other Miscellaneous		5,000	5,000
<b>Total Revenues</b>	<b>\$ 2,560,000</b>	<b>\$ 657,986</b>	<b>\$ (1,902,014)</b>
<b>Expenditures</b>			
General Government			
Operating Expenses	\$ -	\$ 9,456	\$ -
Public Buildings Capital Outlay Related		99,480	
Public Buildings Health Dept Improv.		542,805	
Public Buildings Ashe Partnership Project		20,790	
Public Buildings River Input Project		16,401	
Total General Government	<b>\$ 5,466,504</b>	<b>\$ 688,932</b>	<b>\$ 4,777,572</b>
Transportation			
Capital Outlay Related	\$ -	\$ 40,673	\$ -
Capital Outlay Airport		708,116	
Total Transportation	<b>\$ 2,066,668</b>	<b>\$ 748,789</b>	<b>\$ 1,317,879</b>
Debt Service			
Principal	\$ 134,053	\$ 134,053	\$ -
Interest	3,866	3,866	-
Total Debt Services	<b>\$ 137,919</b>	<b>\$ 137,919</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 7,671,091</b>	<b>\$ 1,575,640</b>	<b>\$ 6,095,451</b>
Revenues Over (Under) Expenditures	<b>\$ (5,111,091)</b>	<b>\$ (917,654)</b>	<b>\$ 4,193,437</b>
<b>Other Financing Sources</b>			
Proceeds from Loans	\$ -	\$ -	\$ -
Transfers In	831,343	831,343	-
Transfers Out	(150,000)		150,000
Fund Balance Appropriated	<b>4,429,748</b>	<b></b>	<b>(4,429,748)</b>
<b>Total Other Financing Sources</b>	<b>\$ 5,111,091</b>	<b>\$ 831,343</b>	<b>\$ (4,279,748)</b>
Revenue and Other Sources Over (Under) Expenditures	<b>\$ -</b>	<b>\$ (86,311)</b>	<b>\$ (86,311)</b>
Fund Balance, July 1		<b>\$ 7,009,216</b>	
Fund Balance, June 30		<b>\$ 6,922,905</b>	

ASHE COUNTY, NORTH CAROLINA  
 ECONOMIC DEVELOPMENT 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, 2024

	Annual Budget / <b>INDUSTRIAL PARK PROJECT BUDGET</b>	Actual			Actual Fund Total Current Year	Total Fund Variance Favorable (Unfavorable)
		Prior Year Project Only	Current Year Project	Total to Date Project		
<b>Revenues</b>						
Restricted Intergovernmental Revenue						
<b>INDUSTRIAL PARK PHASE #2</b>						
<b>GOLDEN LEAF FUNDS</b>	\$ 920,034	\$ -	\$ 258,709	\$ 258,709	\$ 258,709	\$ -
Golden Leaf Funds - Shell Building Design	40,000			-	40,000	
<b>Total Revenues</b>	\$ 960,034	\$ -	\$ 258,709	\$ 258,709	\$ 298,709	\$ (701,325)
<b>Expenditures</b>						
Economic Development						
<b>INDUSTRIAL PARK PHASE #2</b>						
<b>EXPENDITURES</b>	\$ 2,280,034	\$ -	\$ 296,547	\$ 296,547	\$ 296,547	\$ -
Shell Building Design	40,000				40,000	
Other Operational Expenditures	100,000				-	
<b>Total Expenditures</b>	\$ 2,420,034	\$ -	\$ 296,547	\$ 296,547	\$ 336,547	\$ 2,123,487
Revenues Over (Under) Expenditures	\$ (1,460,000)	\$ -	\$ (37,838)	\$ (37,838)	\$ (37,838)	\$ 1,422,162
<b>Other Financing Sources</b>						
<b>INDUSTRIAL PARK PHASE #2</b>						
<b>BREMCO REDLG LOAN</b>	\$ 1,360,000	\$ 1,360,000	\$ -	\$ 1,360,000	\$ -	\$ -
Operating Transfers-In	251,424				251,424	(251,424)
Operating Transfers-Out	(261,000)				(261,000)	261,000
Fund Balance Appropriated	109,576					(109,576)
<b>Total Other Financing Sources</b>	1,460,000	1,360,000	-	1,360,000	(9,576)	(100,000)
Revenue and Other Sources Over (Under) Expenditures	\$ -	\$ 1,360,000	\$ (37,838)	\$ 1,322,162	\$ (47,414)	\$ 1,322,162
Fund Balance, July 1					\$ 1,469,383	
Fund Balance, June 30					\$ 1,421,969	

## 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, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Operating Revenues:			
Charges for Services:			
SWDF-Commercial Fees	\$ -	\$ 486,015	\$ -
SWDF-Household Fees (Releases/Writeoffs)		(17,509)	
Recycling Revenues		160,574	
Miscellaneous Revenue		10,500	
Total Operating Revenues	<u>\$ 704,020</u>	<u>\$ 639,580</u>	<u>\$ (64,440)</u>
Non-Operating Revenue:			
Ad Valorem Taxes Designated for ES	\$ 2,977,652	\$ 2,977,652	\$ -
Contribution From Other Governments	6,000	6,000	-
Solid Waste Disposal Tax	26,000	24,858	(1,142)
Scrap Tire Disposal Tax and Grant	49,000	53,642	4,642
White Goods Disposal Tax and Grant	7,000	9,042	2,042
Electronics Mgmt Distribution	4,000	5,109	1,109
Investment Earnings	120,000	156,131	36,131
Total Non-Operating Revenue	<u>\$ 3,189,652</u>	<u>\$ 3,232,434</u>	<u>\$ 42,782</u>
Total Revenues	<u>\$ 3,893,672</u>	<u>\$ 3,872,014</u>	<u>\$ (21,658)</u>
<b>Expenditures:</b>			
Environmental Services-Collections			
Salaries & Employee Benefits	\$ -	\$ 1,049,625	\$ -
Operating Expenses		495,563	
Capital Outlay			
Total Environmental Services-Collections	<u>\$ 1,639,743</u>	<u>\$ 1,545,188</u>	<u>\$ 94,555</u>
Environmental Services-Disposal			
Salaries & Employee Benefits		\$ 438,976	\$ -
Operating Expenses		789,440	
Capital Outlay		345,977	
Total Environmental Services-Disposal	<u>\$ 1,789,157</u>	<u>\$ 1,574,393</u>	<u>\$ 214,764</u>
Debt Service			
Loan Principal		\$ 248,026	\$ -
Lease Principal		1,911	
Loan Interest		13,746	
Lease Interest		1,089	
Total Debt Service	<u>\$ 264,772</u>	<u>\$ 264,772</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 3,693,672</u>	<u>\$ 3,384,353</u>	<u>\$ 309,319</u>
Revenues Over (Under) Expenditures	<u>\$ 200,000</u>	<u>\$ 487,661</u>	<u>\$ 309,319</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Asset	\$ -	\$ 14,314	\$ 14,314
Transfer Out - Landfill Capital Reserve	(200,000)	(200,000)	-
Fund Balance Appropriated	-		-
Total Other Fin Sources (uses)	<u>\$ (200,000)</u>	<u>\$ (185,686)</u>	<u>\$ 14,314</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 301,975</u>	<u>\$ 301,975</u>

ASHE COUNTY, NORTH CAROLINA  
ENVIRONMENTAL SERVICES FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Reconciliation to Accrual Basis

Excess of Revenues and Other Sources		
Over (Under) Expenditures	\$	301,975
Proceeds from Sale of Fixed Assets		(14,314)
Gain on Sale of Fixed Assets		14,314
Proceeds from Loan		-
Debt Principal		248,026
Lease Principal		1,911
Decrease (Increase) in Interest Payable		3,736
Capital Outlay		345,977
Depreciation		(448,146)
Amortization		(2,848)
Landfill Closure and Postclosure Care Costs		(185,000)
Transfers Out - Landfill Capital Reserve		200,000
Increase (Decrease) in Deferred Outflows of Resources - Pensions		2,186
Increase (Decrease) in Deferred Outflows of Resources - OPEB		107,177
Decrease (Increase) in Accrued Vacation Pay		907
Decrease (Increase) in Net Pension Liability		(48,774)
Decrease (Increase) in OPEB Liability		(49,156)
Decrease (Increase) in Deferred Inflows of Resources - Pensions		(23,700)
Decrease (Increase) in Deferred inflows of Resources -OPEB		(104,918)
Change in Net Position		<u>\$ 349,353</u>

LANDFILL CLOSURE & POST CLOSURE - RESERVE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Investment Earnings	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>			
Landfill Cell Construction	\$ -	\$ -	\$ -
Landfill Closure and Post Closure			
Total Expenditures	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>
Revenues Over (Under) Expenditures	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ 200,000</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In - Environmental Services	\$ 200,000	\$ 200,000	\$ -
Transfers Out- Environmental Services			
Fund Balance Appropriated			-
Total	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

ASHE COUNTY, NORTH CAROLINA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2024

<u>Assets</u>	Fire District Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Cash and Cash Equivalents	\$ -	\$ 29,661	\$ 29,661
Taxes Receivable for Fire Districts, Net	144,720		144,720
Total Assets	<u>144,720</u>	<u>29,661</u>	<u>174,381</u>
<u>Liabilities</u>			
Due To Other Funds	\$ 2,040	\$ -	\$ 2,040
Due To Other Governments	142,680		142,680
Total Liabilities	<u>144,720</u>	<u>-</u>	<u>144,720</u>
<u>Net Position</u>			
Restricted for:			
Individuals, Organizations, and Other Governments	\$ -	\$ 29,661	\$ 29,661
Total Net Position	<u>\$ -</u>	<u>\$ 29,661</u>	<u>\$ 29,661</u>

ASHE COUNTY, NORTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

<b><u>Additions</u></b>	Fire District Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Ad Valorem Taxes for Fire Districts	\$ 3,003,033	\$ -	\$ 3,003,033
Collections on Behalf of Inmates		276,408	276,408
Total Additions	<u>3,003,033</u>	<u>276,408</u>	<u>3,279,441</u>
<b><u>Deductions</u></b>			
Tax Distribution to Fire Districts	\$ 3,003,033	\$ -	\$ 3,003,033
Payments on Behalf of Inmates		291,584	291,584
Total Deductions	<u>3,003,033</u>	<u>291,584</u>	<u>3,294,617</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ -	\$ (15,176)	\$ (15,176)
Net Position, Beginning	\$ -	\$ 44,836	\$ 44,836
Net Position, Ending	<u>\$ -</u>	<u>\$ 29,660</u>	<u>\$ 29,660</u>



ASHE COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>County - wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property Taxed at Current Year's Rate	\$ 5,958,517,983	0.44	\$ 26,222,398	\$ 24,910,983	\$ 1,311,415
Property Taxed at Prior Year's Rate	103,876,450	0.51	508,658	-	508,658
Discoveries					
Current year taxes	<u>\$ 52,277,382</u>	0.44	<u>\$ 230,020</u>	<u>\$ 230,020</u>	<u>\$ -</u>
Total	<u>\$ 6,114,671,815</u>		<u>\$ 26,961,076</u>	<u>\$ 25,141,003</u>	<u>\$ 1,820,073</u>
Abatements	<u>\$ (59,939,892)</u>	0.44	<u>\$ (263,736)</u>	<u>\$ (263,736)</u>	<u>\$ -</u>
Total property valuation	<u><u>\$ 6,054,731,923</u></u>				
Net levy			\$ 26,697,340	\$ 24,877,267	\$ 1,820,073
Uncollected taxes at June 30, 2024			<u>(663,049)</u>	<u>(663,049)</u>	
Current year's taxes collected			<u>\$ 26,034,291</u>	<u>\$ 24,214,218</u>	<u>\$ 1,820,073</u>
Current levy collection percentage			97.52%	97.33%	100.00%

ASHE COUNTY, NORTH CAROLINA  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2024

Fiscal Year	Uncollected Balance July 1, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-24	\$ -	\$ 26,697,341	\$ 26,034,292	\$ 663,049
2022-23	553,592		290,964	262,628
2021-22	285,706		112,670	173,036
2020-21	181,241		69,590	111,651
2019-20	136,416		48,325	88,092
2018-19	106,892		37,143	69,749
2017-18	90,022		30,060	59,963
2016-17	71,994		25,524	46,470
2015-16	60,482		21,187	39,295
2014-15	52,285		16,955	35,329
2013-14	63,382		63,381	-
	<u>\$ 1,602,012</u>	<u>\$ 26,697,341</u>	<u>\$ 26,750,091</u>	<u>\$ 1,549,262</u>

Less Allowance for Uncollectible Ad Valorem  
Taxes Receivable \$ (353,000)

Ad Valorem Taxes Receivable (Net) \$ 1,196,262

Reconciliation with Revenues

Taxes - Ad Valorem - General Fund	\$ 23,605,428
Taxes Designated to Env. Services	2,977,652
Discount Allowed	348,920
Releases	125,167
Refunds	11,035
Amounts Written Off Per Statute of Limitations	43,864
Adjustments	(18,119)
Interest Collected	<u>(343,856)</u>

Total Collections & Credits \$ 26,750,091

# *Priscilla L. Norris, CPA*

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404 West Main Street      PO Box 1422      Jefferson, NC 28640  
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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, 2024, and the notes to the financial statements, which collectively comprises Ashe County's basic financial statements, and have issued our report thereon dated November 26, 2024.

#### **Report on 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 deficiencies may exist that have not been identified.

### **Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items #2024-1 and #2024-2.

### **Ashe County's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



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Priscilla L. Norris, CPA

Jefferson, NC

November 26, 2024

# *Priscilla L. Norris, CPA*

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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**

**Opinion on 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, 2024. 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.

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, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ashe County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ashe County's compliance with the compliance requirements referred to above.

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

- \* exercise professional judgment and maintain professional skepticism through out the audit.
- \* identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ashe County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- \* obtain an understanding of Ashe County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ashe County's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

*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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

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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Priscilla L. Norris, CPA

Jefferson, NC

November 26, 2024

# *Priscilla L. Norris, CPA*

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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**

**Opinion on Each Major State 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 State programs for the year ended June 30, 2024. 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.

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, 2024.

**Basis for Opinion on Each Major State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ashe County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Ashe County's compliance with the compliance requirements referred to above.



## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

- \* exercise professional judgment and maintain professional skepticism through out the audit.
- \* identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ashe County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- \* obtain an understanding of Ashe County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ashe County's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

*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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material, weaknesses. However material weaknesses or significant deficiencies may exist that have not been identified.

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

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

November 26, 2024

ASHE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

**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                        X   yes                      \_\_\_\_\_ 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 - Medical Assistance Program

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

Auditee qualified as low-risk auditee?                        X   yes                      \_\_\_\_\_ no

ASHE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

**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

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  
State Aid to Airports

**II. Financial Statement Findings**

**Material Noncompliance Noted:**

**Excess of Expenditures over Appropriation**

**2024-1** In the General Fund, expenditures in the function of Public Safety were over budget by \$521,696. This was due to new vehicle leases. We recommend that all new leases be evaluated timely for their effect on the budget.

**2024-2** In the DSS Representative Payee Special Revenue fund, expenditures were over budget by \$61,815. We recommend evaluating this fund prior to fiscal year end, to ensure that the budget is sufficient to cover the entire fiscal year.

**III. Federal Award Findings and Questioned Costs**

None Reported.

**IV. State Awards Findings and Questioned Cost**

None Reported.

ASHE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

**V. Corrective Action Plan for the Following Sections:**

**Section II - Financial Statement Findings**

**Excess of Expenditures over Appropriation**

**2024-1 Public Safety:**

The County finance officer agrees with the finding and has taken corrective action to address the issue in future fiscal years.

Specifically, in February of 2022, Ashe County signed a contract with Enterprise Rentals to lease vehicles for the Sheriff's department because the Sheriff could not find the new replacement vehicles he needed, which was happening nationwide. FY2022-2023, the first year that GASB 87 was implemented, the County received only two of the eighteen vehicles needed for the Sheriff's department and had to carry funds forward to FY2023-2024. Vehicles began to trickle in, but in the 4th quarter, eleven of them were delivered and the billing began. County finance staff (with input from the County auditor) had to create a system to set up all the individual spreadsheets and to record the related journal entries for the fiscal year. The Initial Lease Outlay and Lease Proceeds had a significant unexpected impact on the Law Enforcement departmental budget. The pass-through entries amounted to over one million dollars. This was discovered after the last meeting in June of 2024 so no budget amendments could be made. In FY2025, since the process has been developed, finance employees are recording the entries monthly and any needed budget amendments can be made throughout the year.

**2024-2 DSS Representative Payee Special Revenue Fund:**

The County finance officer agrees with the finding and has taken correction action to address the issue in future fiscal years.

Specifically, during the budget process in the spring, County finance examines the accounts to determine what year-end budget amendments still need to be made as well as estimate for the future fiscal year. Upon this review, it was found that the DSS Representative Payee Fund would need to be increased for FY2024 and FY2025 due to the increased amounts of funds that were passing through the fund during FY2024. The recommended and approved budget for FY2025 was increased from \$530,000 to \$630,000. The amendment for current year (FY2024) was accidentally omitted from the year end budget amendments presented to the Board of Commissioners for approval on June 3, 2024. The annual examination of funds will continue in the 4th quarter of each year and special effort will be made not to exclude funds from the budget amendments.

**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, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>
<b>FEDERAL AWARDS:</b>				
<b><u>U.S. Department of Health and Human Services</u></b>				
<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	\$ 74,339	\$ -	\$ -
Child Welfare Service - Permanency Planning	93.645	7,327		
Total Subsidized Child Care Cluster		<u>81,666</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	190,609	6,836	
Title IV-E Foster Care - <u>Direct Benefits</u>	93.658	71,784	27,512	
Title IV-E - Adoption -Admin	93.659	13,698		
Total Foster Care and Adoption Cluster		<u>276,091</u>	<u>34,348</u>	<u>-</u>
<u>Temporary Assistance for Needy Families Cluster</u>				
TANF/Work First	93.558	247,214	-	
Total TANF Cluster		<u>247,214</u>	<u>-</u>	<u>-</u>
<u>All Other DSS:</u>				
Child Support Enforcement	93.563	529,249		
Low Income Home Energy Assistance Crisis Info.	93.568	555		
Low Income Home Energy Asst - COVID 19	93.568	7,937		
Low Income Weatherization Home Energy Asst	93.568	24,766	300	
Promoting Safe and Stable Families	93.556	24,683		
Social Services Block Grant-Other Service & Training	93.667	147,560		
Social Services Block Grant:				
State In Home Service Fund	93.667	22,392		
State Adult Day Care	93.667	27,702	24,846	
COVID-19 - State Adult Day Care	93.667	377	1,513	
State Child Protective Services	93.667	85,276		
Chafee Foster Care Indep. Program - Admin.	93.674	10,534	2,633	
Chafee Foster Care Indep. Program - <u>Direct Ben. Pmts</u>	93.674	904		
Refugee & Entrant Asst State/Replacement Designee	93.566	293		
Admin Program				
Total All Other DSS		<u>882,228</u>	<u>29,292</u>	<u>-</u>
<i>Total Administration for Children and Families</i>		<u>\$ 1,487,199</u>	<u>\$ 63,640</u>	<u>\$ -</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	1,833,944	48,140	
NC Health Choice	93.767	154,694	2,204	
<i>Total Healthcare Financing Administration</i>		<u>\$ 1,988,638</u>	<u>\$ 50,344</u>	<u>\$ -</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>\$ 3,475,837</u>	<u>\$ 113,984</u>	<u>\$ -</u>

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

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>
<b><u>U.S. Dept. of Agriculture</u></b>				
<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 Admin.	10.561	\$ 592,345	\$ -	\$ -
<b>Total U.S. Dept. of Agriculture</b>		<b>\$ 592,345</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>U.S. Dept. of Housing and Urban Development</u></b>				
Passed-through NC Dept. of Commerce:				
CDBG Neighborhood Revitalization Grant #19-C-3123	14.228	\$ 142,848	\$ -	\$ -
CDBG Coronavirus Grant #20-V-3509	14.228	5,634		
<b>Total U.S. Dept. of Housing and Urban Development</b>		<b>\$ 148,482</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>U.S. Department of Justice</u></b>				
Public Safety Partnership & Community Policing Grants	16.710	\$ 36,579	\$ -	\$ -
<b>Total U.S. Department of Justice</b>		<b>\$ 36,579</b>		
<b><u>U.S. Dept. of Transportation</u></b>				
Passed - through NC Dept. of Transportation:				
Airport Improvements Program (36237.21.22.1)	20.106	\$ 12,555	\$ -	\$ -
Airport Improvements Program (36237.21.22.2)	20.106	23,418		
Airport Improvements Program (36237.21.22.3)	20.106	71,383		
<b>Total U.S. Dept. of Transportation</b>		<b>\$ 107,356</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>U.S. Dept. of Homeland Security</u></b>				
Passed - through NC Dept. of Public Safety:				
Emergency Management	97.042	\$ 39,698	\$ -	\$ -
<b>Total U.S. Dept. of Homeland Security</b>		<b>\$ 39,698</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Federal Awards (and state and local match)</b>		<b>\$ 4,400,297</b>	<b>\$ 113,984</b>	<b>\$ -</b>

**STATE AWARDS:**

**N.C. Dept. of Transportation**

State Aid to Airports (DOT-8) (Unknown)				
State Aid to Airports (DOT-8) (36244.29.7.1)			6,616	
Rural Operating Assistance Program (EDTAP)			570,671	
Rural Operating Assistance Program (Employment Trans)			57,403	
Rural Operating Assistance Program (RGP)			1,238	
			76,969	

**N.C. Dept. of Enviromental Quality**

Scrap Tire Grant

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

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>
			2,173	
<b><u>Administrative Office of the Courts</u></b>				
Safe Roads Act Funds				
Abandoned Mobile Homes Grant			1,976	
			7,500	
<b><u>Golden Leaf Foundation</u></b>				
Economic Development Grant - Industrial Park Development				
Economic Development Grant - Shell Building Design			258,709	
			40,000	
<b><u>N.C. Dept. of State Parks</u></b>				
PART F Grant				
			50,000	
<b><u>N.C. Dept. of Public Safety</u></b>				
Emergency Management - Party Rock Fire Grant				
Emergency Management - Capacity Building Grant			119,989	
Emergency Management - Operations Grant			384,508	
Juvenile Crime Prevention			1,000	
			103,419	
<b><u>N.C. Dept. of Administration</u></b>				
DMVA County Grant				
			2,174	
<b><u>N.C. Department of Agriculture</u></b>				
Soil Technicians Grant				
			27,244	
<b><u>N.C. Dept. of Social Services</u></b>				
State Child Welfare - State Protective Services				
State Foster Home			21,721	
State Foster Home Fund (Maximization)			22,033	
Extended Foster Care Max Non IVE			52,647	
			112,774	
<b><u>N.C. Dept of Public Instruction</u></b>				
PSBRRF Lottery Funds				
			3,509	
<b><u>N.C. Dept of Information Technology</u></b>				
N.C. 911 Board				
FY 2024 PSAP Grant				
			1,119	
<b><u>Other Financial Assistance</u></b>				
N.C. Dept. of Justice				
Opioid Settlement Fund				
			168,426	
<b>Total State Awards and local match</b>			<u>\$ -</u>	<u>\$ 2,093,818</u>
<b>Total Federal and State Awards</b>			<u>\$ 4,400,297</u>	<u>\$ 2,207,802</u> <u>\$ -</u>

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



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

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>
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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, 2024. 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 Indirect Cost Rate

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

4 Cluster of Programs

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

5 Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

<u>Program Title:</u>	<u>Federal</u> <u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Federal</u>	<u>State</u>
Supplemental Nutrition Assistance Program	10.551	\$ 6,422,368	-
SP Children Adopt Promotion	93.558	103,865	-
Temporary Assistance for Needy Families - Pmts & Pen	93.558	39,331	-
Adoption Assistance	93.659	379,267	94,925
Medical Assistance Program	93.778	30,619,560	12,670,634
Child Welfare Services Adoption	N/A	-	11,239
State/County Special Assistance Program	N/A	-	227,926