

ALLEGHANY COUNTY, NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

ALLEGHANY COUNTY, NORTH CAROLINA

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INTRODUCTORY SECTION

ALLEGHANY COUNTY, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS as of JUNE 30, 2022

Bobby Irwin, Vice Chair	Bill Osborne, Chairman	Mechelle Luffman
John U. Irwin, Jr.		Mark Evans

BOARD OF COUNTY COMMISSIONERS as of NOVEMBER 15, 2022

Bobby Irwin, Vice Chair	Bill Osborne, Chairman	Mechelle Luffman
John U. Irwin, Jr.		Mark Evans

OTHER OFFICIALS

County Manager	Michael Carter
Finance Officer	April Hamm

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**The Board of Commissioners
Alleghany County
Sparta, North Carolina**

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alleghany County, North Carolina, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alleghany County, North Carolina, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alleghany County, North Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 18 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 raises substantial doubt about the Alleghany County, North Carolina's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards* we

- exercised professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alleghany County, North Carolina's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alleghany County, North Carolina'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 and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 Alleghany County, North Carolina's basic financial statements. The accompanying supplementary information and 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* and the State Single Audit Implementation Act 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 to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of Alleghany County, North Carolina'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 solely 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 the effectiveness of Alleghany County, North Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alleghany County, North Carolina's internal control over financial reporting and compliance.

Robinson, Famer, Cox Associates

Blacksburg, Virginia
November 15, 2022

ALLEGHANY COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

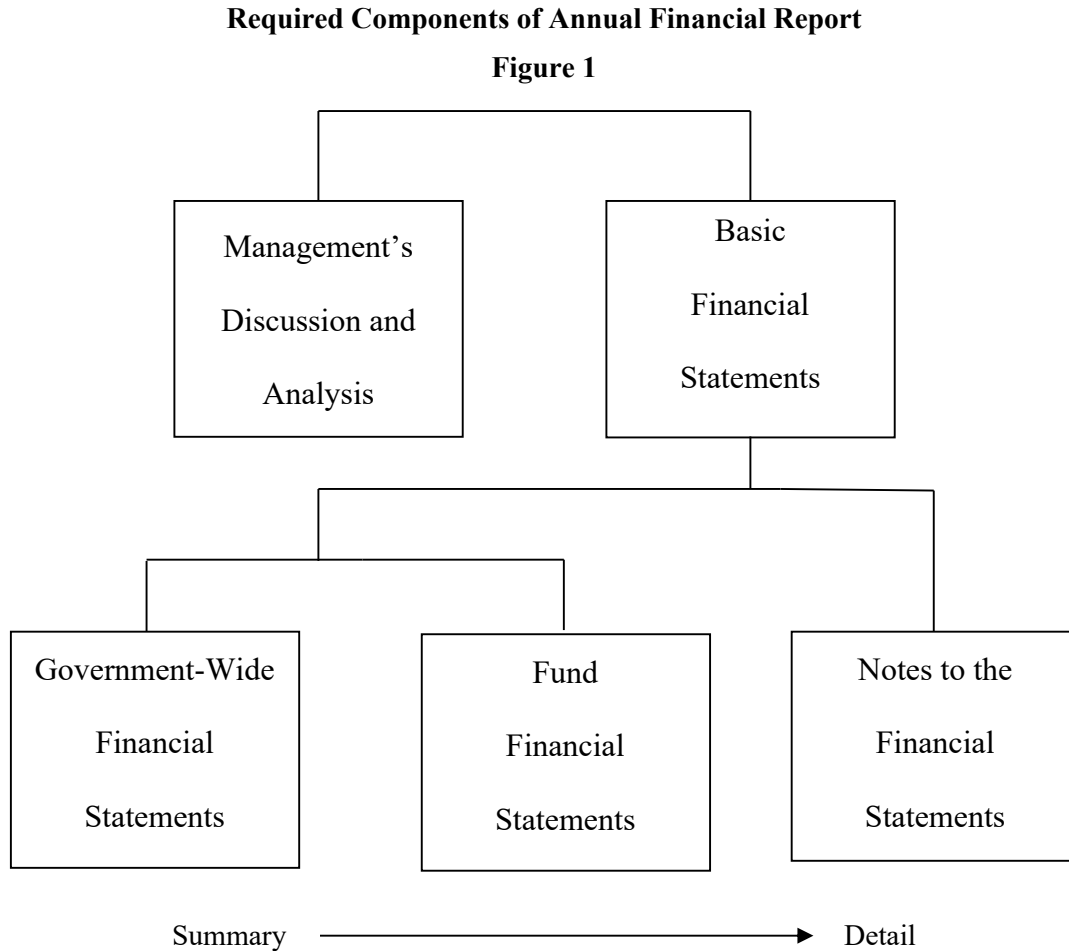
As management of Alleghany County, we offer readers of Alleghany County's financial statements this narrative overview and analysis of the financial activities of Alleghany County for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of Alleghany County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$14,556,230 (*net position*).
- As of the close of the current fiscal year, Alleghany County's governmental funds reported combined ending fund balances of \$10,903,366. Approximately 17% of this total amount, or \$1,882,683, is restricted as to how it can be spent. Approximately 17% of the total ending governmental fund balance, or \$1,835,440, is reported in funds other than the General Fund.
- At the end of the current fiscal year, available fund balance for the General Fund totaled \$7,683,226, or 44%, of total General Fund expenditures and transfers to other funds for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Alleghany 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 Alleghany County.



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 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

Following the notes is the **Required Supplemental Information**. This section contains funding information about the County's pension and OPEB plans.

After the required supplemental information, **Supplemental Information** is provided to show details about the County's funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

The two government-wide statements report the County's net position and how they have 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 three categories: 1) governmental activities, 2) business-type activities, and 3) component unit. The governmental activities include most of the County's basic services, such as public safety, economic and physical development, human services, and general administration. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the landfill services offered by Alleghany County. The final category is component units of which the County has one, the Tourism Development Authority.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Alleghany 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 Alleghany County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Alleghany County adopts an annual budget for its General Fund, as required by the general statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the

County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds. Alleghany 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. Alleghany County uses an Enterprise Fund to account for its landfill operations. This fund represents business-type activity 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. Alleghany County has three fiduciary funds. The Jail Inmate Fund, Town of Sparta Tax Fund, and the Library fund are all considered custodial funds. The Jail Inmate Fund is the balance held by inmates in the County jail. The Town fund manages the billing and collection of Town taxes. The Library fund is a balance held for the use of the Library Board.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

**Government-Wide Financial Analysis
Alleghany County's Net Position**

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 14,303,310	\$ 8,527,001	\$ 458,519	\$ 355,353	\$ 14,761,829	\$ 8,882,354
Capital assets, net	<u>19,426,845</u>	<u>20,412,237</u>	<u>596,501</u>	<u>458,881</u>	<u>20,023,346</u>	<u>20,871,118</u>
Total assets	<u>33,730,155</u>	<u>28,939,238</u>	<u>1,055,020</u>	<u>814,234</u>	<u>34,785,175</u>	<u>29,753,472</u>
Deferred Outflows of Resources	<u>3,915,408</u>	<u>3,622,537</u>	<u>96,425</u>	<u>195,363</u>	<u>4,011,833</u>	<u>3,817,900</u>
Liabilities:						
Current liabilities	3,989,521	1,959,799	111,717	144,757	4,101,238	2,104,556
Other liabilities	<u>16,403,383</u>	<u>18,189,565</u>	<u>390,798</u>	<u>688,884</u>	<u>16,794,181</u>	<u>18,878,449</u>
Total liabilities	<u>20,392,904</u>	<u>20,149,364</u>	<u>502,515</u>	<u>833,641</u>	<u>20,895,419</u>	<u>20,983,005</u>
Deferred Inflows of Resources	<u>3,263,089</u>	<u>1,632,111</u>	<u>82,270</u>	<u>146,287</u>	<u>3,345,359</u>	<u>1,778,398</u>
Net Position:						
Net investment in capital assets	16,013,918	16,059,706	515,678	418,685	16,529,596	16,478,391
Restricted	1,912,477	1,493,232	-	-	1,912,477	1,493,232
Unrestricted (deficit)	<u>(3,936,825)</u>	<u>(6,772,638)</u>	<u>50,982</u>	<u>(389,016)</u>	<u>(3,885,843)</u>	<u>(7,161,654)</u>
Total net position (deficit)	<u>\$ 13,989,570</u>	<u>\$ 10,780,300</u>	<u>\$ 566,660</u>	<u>\$ 29,669</u>	<u>\$ 14,556,230</u>	<u>\$ 10,809,969</u>

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 Alleghany County exceeded liabilities and deferred inflows of resources by \$14,556,230 as of June 30, 2022. The County's net position increased by \$3,209,270 for the fiscal year ended June 30, 2022. The largest portion of net position, \$16,529,596, reflects the County's net investment in capital assets (e.g. land, buildings, and equipment). Alleghany County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Alleghany County's net investment in 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.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.38%
- Monitoring of operating expenses including consolidating expenses as much as possible.

Alleghany County's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1,455,622	\$ 1,891,498	\$ 1,207,089	\$ 1,173,475	\$ 2,662,711	\$ 3,064,973
Operating grants and contributions	4,333,897	3,861,479	30,000	-	4,363,897	3,861,479
Capital grants and contributions	232,915	166,198	-	-	232,915	166,198
General revenues:						
Property taxes	12,597,674	11,431,809	-	-	12,597,674	11,431,809
Other taxes	3,887,497	3,577,015	-	-	3,887,497	3,577,015
Grants and contributions not restricted to specific programs	65,736	70,366	-	-	65,736	70,366
Investment earnings, unrestricted	1,837	167	-	15	1,837	182
Miscellaneous	132,351	236,417	-	-	132,351	236,417
Total revenues	<u>22,707,529</u>	<u>21,234,949</u>	<u>1,237,089</u>	<u>1,173,490</u>	<u>23,944,618</u>	<u>22,408,439</u>
Expenses:						
General government	5,546,843	6,074,864	-	-	5,546,843	6,074,864
Public safety	5,853,935	5,326,809	-	-	5,853,935	5,326,809
Economic and physical development	540,838	496,162	-	-	540,838	496,162
Environmental protection	1,164	-	-	-	1,164	-
Human services	3,778,460	3,464,739	-	-	3,778,460	3,464,739
Cultural and recreation	431,725	272,392	-	-	431,725	272,392
Education	3,205,339	3,305,011	-	-	3,205,339	3,305,011
Interest on long-term debt	69,667	89,051	-	-	69,667	89,051
Solid waste	-	-	770,386	1,077,588	770,386	1,077,588
Total expenses	<u>19,427,971</u>	<u>19,029,028</u>	<u>770,386</u>	<u>1,077,588</u>	<u>20,198,357</u>	<u>20,106,616</u>
Change in net position before transfers	3,279,558	2,205,921	466,703	95,902	3,746,261	2,301,823
Transfers in (out)	<u>(70,288)</u>	<u>-</u>	<u>70,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>3,209,270</u>	<u>2,205,921</u>	<u>536,991</u>	<u>95,902</u>	<u>3,746,261</u>	<u>2,301,823</u>
Net Position (Deficit):						
Beginning of year	<u>10,780,300</u>	<u>8,574,379</u>	<u>29,669</u>	<u>(66,233)</u>	<u>10,809,969</u>	<u>8,508,146</u>
End of year	<u>\$ 13,989,570</u>	<u>\$ 10,780,300</u>	<u>\$ 566,660</u>	<u>\$ 29,669</u>	<u>\$ 14,556,230</u>	<u>\$ 10,809,969</u>

Governmental Activities. Governmental activities increased the County's net position by \$3,209,270. Key elements of this increase are as follows:

- Overall revenues increased by \$1,472,580. The increase in revenue combined with a \$398,943 increase in expenses, generated the current year increase in net position. Property tax revenues increased approximately \$1,165,865 due the completion of a revaluation. The tax rate was not adjusted due to increased property values in the County. A revenue neutral rate was calculated and published. The County's largest expenses are for general government (29%) and public safety (30%). The largest increases were in public safety (\$527,126 or 9%) due to increased salaries, fringes, and equipment purchases.

Business-Type Activities. Business-type activities increased Alleghany County's net position by \$536,991. Key elements of this increase are as follow:

- Reduction in disposal and hauling costs as a result of recent bid award.
- Reduction in employee benefit costs as a result of decrease in net pension liabilities.
- Realized better collections through the Tax Office regarding the household solid waste fees.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Alleghany County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Alleghany 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 Alleghany County. At the end of the current fiscal year, fund balance available in the General Fund was \$7,683,226 while total fund balance was \$9,067,926. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 44% of net General Fund expenditures and transfers to other funds, while total fund balance represents 52% of that same amount.

At June 30, 2022, the governmental funds of Alleghany County reported a combined fund balance of \$10,903,366, an increase of \$3,646,860 over last year. The General Fund and other Governmental Funds experienced an overall increase in fund balance, while the County Buildings Capital Project Fund experienced a decrease of (\$117,370) due to mainly the expenditure on courthouse renovations.

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.

Proprietary Funds. Alleghany County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Net position (deficit) of the Landfill Fund at the end of the fiscal year totaled \$566,660.

Capital Asset and Debt Administration

Capital Assets. Alleghany County's capital assets for its governmental and business-type activities as of June 30, 2022 totaled \$19,943,282 (net of accumulated depreciation). These assets include buildings, land, improvements, and equipment.

Major capital asset transactions during the year include:

- Start of construction of courthouse improvements.
- Purchase of vehicles for public safety, transfer facility, and transportation.
- Start of construction of a new dispatch center located in the Administrative Building with new communication tower also
- Donation of vacant lots (structures removed) from earthquake relocations and rebuilding
- Repairs to County facilities continue from earthquake damage

Alleghany County's Capital Assets
Figure 4

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 589,739	\$ 507,639	\$ 110,183	\$ 110,183	\$ 699,922	\$ 617,822
Buildings	23,858,489	23,478,329	342,698	342,698	24,201,187	23,821,027
Improvements	7,559,259	7,396,896	115,343	115,343	7,674,602	7,512,239
Machinery and equipment	5,567,821	5,448,612	679,836	553,907	6,247,657	6,002,519
Construction in progress	217,947	564,089	-	-	217,947	564,089
Total	37,793,255	37,395,565	1,248,060	1,122,131	39,041,315	38,517,696
Less: accumulated depreciation	(18,366,410)	(16,983,328)	(731,623)	(663,250)	(19,098,033)	(17,646,578)
Capital assets, net	<u>\$ 19,426,845</u>	<u>\$ 20,412,237</u>	<u>\$ 516,437</u>	<u>\$ 458,881</u>	<u>\$ 19,943,282</u>	<u>\$ 20,871,118</u>

Additional information on the County's capital assets can be found in the notes to the Basic Financial Statements.

Long-Term Debt
Alleghany County's Outstanding Debt
Figure 5

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Installment purchase notes	<u>\$ 3,412,927</u>	<u>\$ 4,495,390</u>	<u>\$ -</u>	<u>\$ 40,196</u>	<u>\$ 3,412,927</u>	<u>\$ 4,535,586</u>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Alleghany County is approximately \$137,000,000.

Additional information regarding Alleghany County's long-term debt, including details of pension liability, compensated absences, OPEB, and accrued landfill closure and post-closure care costs, can be found in the notes of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

Budget Highlights for the Fiscal Year Ending June 30, 2023

Government Activities. The County adopted FY22/23 budget including the following highlights:

- A \$3,000 flat raise for all full-time employees effective July 26, 2022
- A \$1,500 raise equivalent calculation for all part-time employees
- Continued budgeting \$50,000 in escrow account for future revaluation expenses
- Maintained a Contingency line of \$8,179
- Maintained an unassigned fund balance line of \$200,000 to assist in continued building of fund balance
- Transportation fund continues to be self-supporting
- Identified ARPA eligible projects that could be removed from FY23 budget and funded with the ARPA Standard Revenue Loss election chosen by the Board
- Will continue to repair County buildings from earthquake damage

The overall property tax rate will remain the same at .597 per \$100 of value. The County implemented a Fire District Tax on July 1, 2020. The rate for the Fire District Tax will stay the same at the following rates:

Cherry Lane:	.04 per \$100 of value
Laurel Springs:	.07 per \$100 of value
Sparta:	.03 per \$100 of value
Glade Creek:	.07 per \$100 of value
Piney Creek:	.06 per \$100 of value

Business-Type Activity. The Alleghany County Transfer Facility adopted FY22/23 budget including the following highlights:

- A \$3,000 flat raise for all full-time employees effective July 26, 2022
- Budgeted \$50,000 in other improvements for the facility
- Continued a solid waste fee for permanent site campers
- Lowered disposal and transportation cost for solid waste with the most recent bid award
- Planned improvements with SCIF funding of \$100,000 plus

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 Finance Officer, P.O. Box 366, Sparta, North Carolina 28675.

Basic Financial Statements

Alleghany County, North Carolina
Statement of Net Position
June 30, 2022

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Tourism Development Unit Authority
ASSETS				
Cash and cash equivalents	\$ 12,304,983	\$ 386,560	\$ 12,691,543	\$ 222,631
Receivables (net of allowance for uncollectibles):				
Taxes receivable	257,193	-	257,193	-
Accounts receivable	393,916	71,959	465,875	24,835
Due from other governmental units	1,143,190	-	1,143,190	-
Restricted assets:				
Cash and cash equivalents	174,234	-	174,234	-
Net pension asset	29,794	-	29,794	-
Capital assets (net of accumulated depreciation):				
Land	589,739	110,183	699,922	-
Buildings	13,842,017	118,491	13,960,508	-
Improvements	3,630,491	52,974	3,683,465	-
Equipment and vehicles	1,146,651	234,789	1,381,440	-
Construction in progress	217,947	-	217,947	-
Right to use leased assets, net of amortization	-	80,064	80,064	-
Total assets	\$ 33,730,155	\$ 1,055,020	\$ 34,785,175	\$ 247,466
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 1,699,735	\$ 39,147	\$ 1,738,882	\$ -
OPEB related items	2,215,673	57,278	2,272,951	-
Total deferred outflows of resources	\$ 3,915,408	\$ 96,425	\$ 4,011,833	\$ -
LIABILITIES				
Accounts payable	\$ 312,718	\$ 61,124	\$ 373,842	\$ 5,701
Accrued salaries	229,021	2,152	231,173	-
Accrued interest payable	41,134	-	41,134	-
Unearned grant revenue	2,326,043	-	2,326,043	-
Long-term liabilities:				
Due within one year	1,080,605	48,441	1,129,046	-
Due in more than one year	16,403,383	390,798	16,794,181	-
Total liabilities	\$ 20,392,904	\$ 502,515	\$ 20,895,419	\$ 5,701
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - prepaid taxes	\$ 71,904	\$ -	\$ 71,904	\$ -
Pension related items	1,541,631	39,626	1,581,257	-
OPEB related items	1,649,554	42,644	1,692,198	-
Total deferred inflows of resources	\$ 3,263,089	\$ 82,270	\$ 3,345,359	\$ -
NET POSITION				
Net investment in capital assets	\$ 16,013,918	\$ 515,678	\$ 16,529,596	\$ -
Restricted:				
Stabilization by State Statute	1,459,408	-	1,459,408	-
Emergency Telephone System	195,916	-	195,916	-
Forfeited Drug Funds	52,083	-	52,083	-
Recreation	98,364	-	98,364	-
Register of Deeds	76,912	-	76,912	-
Future pension costs of Register of Deeds	29,794	-	29,794	-
Unrestricted (deficit)	(3,936,825)	50,982	(3,885,843)	241,765
Total net position	\$ 13,989,570	\$ 566,660	\$ 14,556,230	\$ 241,765

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

Alleghany County, North Carolina
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government		Component Unit
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Tourism Development Authority
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 5,546,843	\$ 234,000	\$ 919,012	\$ 145,506	\$ (4,248,325)	\$ -	\$ (4,248,325)
Public safety	5,853,935	1,072,973	1,139,616	-	(3,641,346)	-	(3,641,346)
Economic and physical development	540,838	19,830	-	-	(521,008)	-	(521,008)
Environmental protection	1,164	-	25,837	-	24,673	-	24,673
Human services	3,778,460	96,911	2,186,026	117,957	(1,377,566)	-	(1,377,566)
Cultural and recreational	431,725	31,908	-	-	(399,817)	-	(399,817)
Education	3,205,339	-	-	32,858	(3,172,481)	-	(3,172,481)
Interest on long-term debt	69,667	-	-	-	(69,667)	-	(69,667)
Total governmental activities	\$ 19,427,971	\$ 1,455,622	\$ 4,270,491	\$ 296,321	\$ (13,405,537)	\$ -	\$ (13,405,537)
Business-type activities:							
Landfill	\$ 770,386	\$ 1,207,089	\$ 30,000	\$ -	\$ -	\$ 466,703	\$ 466,703
Total primary government	\$ 20,198,357	\$ 2,662,711	\$ 4,300,491	\$ 296,321	\$ (13,405,537)	\$ 466,703	\$ (12,938,834)
COMPONENT UNIT:							
Tourism Development Authority	\$ 125,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (125,664)
Total component unit	\$ 125,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (125,664)
General revenues:							
Taxes:							
Ad valorem taxes	\$ 12,597,674	\$ -	\$ -	\$ 12,597,674	\$ -	\$ -	\$ -
Local option sales tax	3,497,132	-	-	3,497,132	-	-	-
Other taxes and licenses	390,365	-	-	390,365	-	-	-
Unrestricted revenues from use of money and property	1,837	-	-	1,837	-	-	-
Miscellaneous	132,351	-	-	132,351	-	-	-
Grants and contributions not restricted to specific programs	65,736	-	-	65,736	-	-	193,538
Transfers	(70,288)	-	-	-	70,288	-	-
Total general revenues and transfers	\$ 16,614,807	\$ 70,288	\$ 16,685,095	\$ 193,538	\$ -	\$ -	\$ -
Change in net position	\$ 3,209,270	\$ 536,991	\$ 3,746,261	\$ 67,874	\$ -	\$ -	\$ -
Net position - beginning	10,780,300	-	-	-	29,669	10,809,969	173,891
Net position - ending	\$ 13,989,570	\$ 566,660	\$ 14,556,230	\$ 241,765	\$ -	\$ -	\$ -

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

Alleghany County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	Major				
	General Fund	County Buildings Capital Project Fund	State Capital and Infrastructure Fund Courthouse Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 8,205,250	\$ -	\$ 1,996,820	\$ 2,102,913	\$ 12,304,983
Receivables (net of allowance for uncollectibles):					
Taxes receivable	238,797	-	-	18,396	257,193
Accounts receivable	197,057	-	-	196,859	393,916
Due from other funds	95,573	-	-	-	95,573
Due from other governmental units	1,143,190	-	-	-	1,143,190
Restricted assets:					
Cash and cash equivalents	122,151	-	-	52,083	174,234
Total assets	\$ 10,002,018	\$ -	\$ 1,996,820	\$ 2,370,251	\$ 14,369,089
LIABILITIES					
Accounts payable	\$ 223,294	\$ -	\$ -	\$ 89,424	\$ 312,718
Accrued liabilities	226,826	-	-	2,195	229,021
Due to other funds	-	-	-	95,573	95,573
Unearned revenue	-	-	1,996,820	329,223	2,326,043
Total liabilities	\$ 450,120	\$ -	\$ 1,996,820	\$ 516,415	\$ 2,963,355
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - prepaid taxes	\$ 71,904	\$ -	\$ -	\$ -	\$ 71,904
Unavailable revenue - ad valorem taxes receivable	238,797	-	-	18,396	257,193
Unavailable revenue - EMS receivable	173,271	-	-	-	173,271
Total deferred inflows of resources	\$ 483,972	\$ -	\$ -	\$ 18,396	\$ 502,368
FUND BALANCES					
Restricted:					
Stabilization by State Statute	\$ 1,262,549	\$ -	\$ -	\$ 196,859	\$ 1,459,408
Emergency Telephone System	-	-	-	195,916	195,916
Other	76,912	-	-	52,083	128,995
Recreation	-	-	-	98,364	98,364
Committed	45,239	-	-	-	45,239
Assigned	-	-	-	1,387,791	1,387,791
Unassigned	7,683,226	-	-	(95,573)	7,587,653
Total fund balances	\$ 9,067,926	\$ -	\$ -	\$ 1,835,440	\$ 10,903,366
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,002,018	\$ -	\$ 1,996,820	\$ 2,370,251	\$ 14,369,089

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

Alleghany County, North Carolina
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2022

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	10,903,366
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$	589,739	
Buildings		13,842,017	
Improvements		3,630,491	
Equipment and vehicles		1,146,651	
Construction in progress		217,947	19,426,845

The net pension asset (ROD) is not an available resource and therefore, is not reported in the funds.			29,794
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue - ad valorem taxes	\$	257,193	
Unavailable revenue - EMS		173,271	430,464

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Pension related items	\$	1,699,735	
OPEB related items		2,215,673	3,915,408

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Note payable	\$	(3,412,927)	
Accrued interest payable		(41,134)	
Net OPEB liability		(12,108,725)	
Compensated absences		(354,787)	
Net pension liability - LGERS		(961,577)	
Total pension liability - LEOSSA		(645,972)	(17,525,122)

Deferred inflows of resources are not due and payable for current period and, therefore, are not reported in the funds.

Pension related items	\$	(1,541,631)	
OPEB related items		(1,649,554)	(3,191,185)

Net position of governmental activities	\$	13,989,570	
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The notes to the financial statements are an integral part of this statement.

Alleghany County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major				Total
	General Fund	County Buildings Capital Project Fund	State Capital and Infrastructure Fund Courthouse Fund	Other Governmental Funds	
REVENUES					
Ad valorem taxes	\$ 11,681,536	\$ -	\$ -	\$ 877,477	\$ 12,559,013
Other taxes	3,588,183	-	-	299,314	3,887,497
Unrestricted intergovernmental	65,736	-	-	-	65,736
Restricted intergovernmental	2,354,373	-	3,180	2,127,159	4,484,712
Permits and fees	241,018	-	-	19,143	260,161
Sales and services	911,726	-	-	-	911,726
Service and fees	-	-	-	41,900	41,900
Investment earnings	1,837	-	-	-	1,837
Miscellaneous	506,691	-	-	97,709	604,400
Total revenues	\$ 19,351,100	\$ -	\$ 3,180	\$ 3,462,702	\$ 22,816,982
EXPENDITURES					
Current:					
General government administration	\$ 3,920,608	\$ -	\$ -	\$ 442,338	\$ 4,362,946
Public safety	4,135,219	-	-	1,513,286	5,648,505
Economic and physical development	484,356	-	-	15,523	499,879
Human services	2,926,763	-	-	859,466	3,786,229
Cultural and recreational	308,783	-	-	12,201	320,984
Education	2,815,666	-	-	-	2,815,666
Capital outlay	-	-	3,180	500,478	503,658
Debt service:					
Principal repayments	1,082,463	-	-	-	1,082,463
Interest and fees	83,186	-	-	-	83,186
Total expenditures	\$ 15,757,044	\$ -	\$ 3,180	\$ 3,343,292	\$ 19,103,516
Excess (deficiency) of revenues over (under) expenditures	\$ 3,594,056	\$ -	\$ -	\$ 119,410	\$ 3,713,466
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 1,392,318	\$ -	\$ -	\$ 1,597,833	\$ 2,990,151
Transfers out	(1,607,681)	(117,370)	-	(1,335,388)	(3,060,439)
Sale of capital assets	3,682	-	-	-	3,682
Total other financing sources (uses)	\$ (211,681)	\$ (117,370)	\$ -	\$ 262,445	\$ (66,606)
Net change in fund balances	\$ 3,382,375	\$ (117,370)	\$ -	\$ 381,855	\$ 3,646,860
Fund balances - beginning	5,685,551	117,370	-	1,453,585	7,256,506
Fund balances - ending	\$ 9,067,926	\$ -	\$ -	\$ 1,835,440	\$ 10,903,366

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

Alleghany County, North Carolina
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds \$ 3,646,860

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlay in the current period.

Capital outlay	\$ 446,679	
Depreciation expense	(1,498,063)	(1,051,384)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

65,992

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue - ad valorem taxes	\$ 38,661	
Change in unavailable revenue - EMS	(230,214)	(191,553)

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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 obligations and related items.

Principal repayments:		
Note payable		1,082,463

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.

Change in compensated absences	\$ 29,882	
Change in accrued interest payable	13,519	
Change in net pension liability and related deferred items - LGERS	150,383	
Change in net pension liability and related deferred items - LEOSSA	(77,384)	
Change in net pension asset and related deferred items - ROD	322	
Change in net OPEB liability and related deferred items	(459,830)	(343,108)

Change in net position of governmental activities		\$ 3,209,270
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The notes to the financial statements are an integral part of this statement.

Alleghany County, North Carolina
Statement of Net Position
Proprietary Fund
June 30, 2022

	Enterprise Fund Landfill Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 386,560
Accounts receivables, net of allowance for uncollectibles	71,959
Total current assets	<u>\$ 458,519</u>
Noncurrent assets:	
Capital assets:	
Land	\$ 110,183
Improvements	115,343
Buildings	342,698
Vehicles and equipment	679,836
Leased equipment	116,962
Less accumulated depreciation	(768,521)
Total capital assets	<u>\$ 596,501</u>
Total noncurrent assets	<u>\$ 596,501</u>
Total assets	<u>\$ 1,055,020</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 39,147
OPEB related items	57,278
Total deferred outflows of resources	<u>\$ 96,425</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 61,124
Accrued liabilities	2,152
Compensated absences - current portion	11,573
Lease liabilities - current portion	36,868
Total current liabilities	<u>\$ 111,717</u>
Noncurrent liabilities:	
Compensated absences - net of current portion	\$ 3,858
Landfill closure and post-closure care costs	4,818
Lease liabilities - net of current portion	43,955
Net pension liability	25,139
Net OPEB liability	313,028
Total noncurrent liabilities	<u>\$ 390,798</u>
Total liabilities	<u>\$ 502,515</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 39,626
OPEB related items	42,644
Total deferred inflows of resources	<u>\$ 82,270</u>
NET POSITION	
Net investment in capital assets	\$ 515,678
Unrestricted	50,982
Total net position	<u><u>\$ 566,660</u></u>

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

Alleghany County, North Carolina
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2022

	Enterprise Fund
	<u>Landfill Fund</u>
OPERATING REVENUES	
Charges for services	\$ 1,207,089
Total operating revenues	<u>\$ 1,207,089</u>
OPERATING EXPENSES	
Landfill operations	\$ 661,867
Depreciation	105,271
Total operating expenses	<u>\$ 767,138</u>
Operating income (loss)	<u>\$ 439,951</u>
NONOPERATING REVENUES (EXPENSES)	
Interest expense	\$ (3,248)
Total nonoperating revenues (expenses)	<u>\$ (3,248)</u>
Income before capital contributions and grants	<u>\$ 436,703</u>
Capital contributions and grants	\$ 30,000
Transfers in	<u>70,288</u>
Change in net position	\$ 536,991
Total net position - beginning	29,669
Total net position - ending	<u><u>\$ 566,660</u></u>

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

Alleghany County, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2022

	Enterprise Fund Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,208,906
Payments to suppliers	(802,822)
Payments to and for employees	(195,877)
Net cash provided by (used for) operating activities	<u>\$ 210,207</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 70,288
Net cash provided by (used for) noncapital financing activities	<u>\$ 70,288</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	\$ (125,929)
Principal payments on notes payable	(40,196)
Principal payments on lease liabilities	(36,139)
Contributions in aid of construction	30,000
Interest payments	(3,248)
Net cash provided by (used for) capital and related financing activities	<u>\$ (175,512)</u>
Net increase (decrease) in cash and cash equivalents	\$ 104,983
Cash and cash equivalents - beginning	281,577
Cash and cash equivalents - ending	<u><u>\$ 386,560</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 439,951
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	\$ 105,271
(Increase) decrease in accounts receivable	1,817
Increase (decrease) in accounts payable	(32,406)
Increase (decrease) in accrued liabilities	2,152
Increase (decrease) in compensated absences	723
Increase (decrease) in net pension liability	(191,111)
Increase (decrease) in net OPEB liabilities	(151,111)
Increase (decrease) in deferred inflows	(64,017)
(Increase) decrease in deferred outflows	98,938
Total adjustments	<u>\$ (229,744)</u>
Net cash provided by (used for) operating activities	<u><u>\$ 210,207</u></u>

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

Alleghany County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,150
Total assets	<u>\$ 1,150</u>
NET POSITION	
Restricted:	
Benefit of the inmates	\$ 1,111
Held in trust	39
Total net position	<u><u>\$ 1,150</u></u>

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

Alleghany County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Inmate deposits	\$ 41,664
Ad valorem taxes	510,374
Donations	7,064
Total additions	<u>\$ 559,102</u>
DEDUCTIONS	
Canteen sales	\$ 30,844
Inmate refunds	12,334
Payments to Town of Sparta	510,374
Library memorial book fund	36,183
Total deductions	<u>\$ 589,735</u>
Change in net position	\$ (30,633)
Net position - beginning	<u>31,783</u>
Net position - ending	<u><u>\$ 1,150</u></u>

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

Alleghany County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 11,078,032	\$ 11,078,032	\$ 11,681,536	\$ 603,504
Other taxes	2,871,100	3,171,100	3,588,183	417,083
Unrestricted intergovernmental	41,000	41,000	65,736	24,736
Restricted intergovernmental	2,335,973	2,356,419	2,354,373	(2,046)
Permits and fees	190,635	190,635	241,018	50,383
Sales and services	663,963	663,963	911,726	247,763
Investment earnings	-	-	1,837	1,837
Miscellaneous	430,934	639,772	506,691	(133,081)
Total revenues	\$ 17,611,637	\$ 18,140,921	\$ 19,351,100	\$ 1,210,179
EXPENDITURES				
Current				
General government administration	\$ 4,491,583	\$ 4,483,885	\$ 3,917,191	\$ 566,694
Public safety	4,440,607	4,470,749	4,135,219	335,530
Economic and physical development	500,821	500,418	484,356	16,062
Human services	3,176,017	3,201,505	2,926,763	274,742
Cultural and recreational	323,368	334,319	308,783	25,536
Education	2,783,717	2,821,463	2,815,666	5,797
Nondepartmental	202,014	288,947	-	288,947
Debt service:				
Principal repayments	1,082,468	1,082,468	1,082,463	5
Interest and fees	84,428	84,428	83,186	1,242
Total expenditures	\$ 17,085,023	\$ 17,268,182	\$ 15,753,627	\$ 1,514,555
Excess (deficiency) of revenues over (under) expenditures				
	\$ 526,614	\$ 872,739	\$ 3,597,473	\$ 2,724,734
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 1,382,470	\$ 1,382,470
Transfers out	(526,614)	(872,739)	(1,607,681)	(734,942)
Sale of capital assets	-	-	3,682	3,682
Total other financing sources and uses	\$ (526,614)	\$ (872,739)	\$ (221,529)	\$ 651,210
Net change in fund balance				
	\$ -	\$ -	\$ 3,375,944	\$ 3,375,944
Fund balance - beginning			5,569,831	
Fund balance - ending			\$ 8,945,775	

Legally budgeted funds consolidated into the General Fund for reporting purposes:

Tax Revaluation Fund:		
Expenditures		(850)
Fund balance, beginning		46,089
Register of Deeds Fund:		
Transfer in-General Fund		9,848
Expenditures		(2,567)
Fund balance, beginning		69,631
Fund balances - ending (Exhibit 5)		<u>\$ 9,067,926</u>

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

ALLEGHANY COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1-Summary of Significant Accounting Policies

The financial statements of Alleghany County, North Carolina conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity

Alleghany County, North Carolina ("the County"), which is by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Unit - The Alleghany Industrial Facility and Pollution Control Financing Authority ("the Authority") exist to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-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 transaction or account balances. The Authority does not issue separate financial statements.

Discretely Presented Component Unit - The component unit column in the financial statements include the financial data of the County's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Alleghany County Tourism Development Authority ("the TDA") was established in January 2012. The County Commissioners appoint the TDA Board. The TDA is funded via a 6% occupancy tax levied pursuant to Session Law of the North Carolina General Assembly. The TDA has a June 30 year-end. The TDA does not issue separate financial statements.

Related Organizations - The County has no related organizations.

Jointly Governed Organizations -

The County, in conjunction with six other counties and 19 municipalities, established the High Country Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$9,610 to the Council during the fiscal year ended June 30, 2022.

Note 1-Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Joint Ventures -

The County, in conjunction with the State of North Carolina, participates in a joint venture to operate the Alleghany Campus of Wilkes Community College. Alleghany County appoints two members of the 17 member Board of Trustees of the Community College. The Community College is included as a component unit of the State. The County provides some financial support for the Community College operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Alleghany Campus of Wilkes Community College facilities. The County contributed \$176,060 to the Community College for operating purposes during the fiscal year ended June 30, 2022. Alleghany County does 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, 2022. Complete financial statements for the Community College may be obtained from the Community College Administrative Offices at P.O. Box 120, Wilkesboro, North Carolina 28697.

The County also participates in a joint venture with two other local governments to operate Appalachian District Health Department. The County appoints four Board members to the 15-member Board of the Health Department. The County has an ongoing financial responsibility for the joint venture because the Health Department's continued existence depends on the participating governments' continued funding. None of the participating governments have an equity interest in the Health Department, so no equity interest has been reflected in the financial statements at June 30, 2022. The County contributed \$250,412 to the Health Department during the fiscal year ended June 30, 2022. Complete financial statements for the Health Department can be obtained from the Department's office at 126 Poplar Grove Connector, Boone, North Carolina 28607.

The County also participates in a joint venture with 16 other local governments to operate Northwest Regional Library. The County appoints one Board member to the 12-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have an equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$180,635 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's offices at 111 North Bridge Street, Elkin, North Carolina 28621.

The County also participates in a local management entity with twenty-two other local governments (Alexander, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes and Yancey counties) to operate Vaya Health. The County has an ongoing financial responsibility for the joint venture because Vaya Health's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in Vaya Health, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$109,709 to Vaya Health to supplement its activities. Complete financial statements for Vaya Health can be obtained from the entity's office at 44 Bonnie Lane, Sylva, North Carolina 28779.

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. 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 of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities. The County reports the following major governmental fund:

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund County. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The Revaluation Fund and the Registrar of Deeds Automation and Preservation Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

The County Buildings Capital Project Fund issued \$900,000 in fiscal year 2019 direct borrowing installment note to be used for several county capital projects, including a new senior center, a new courtroom at the previous senior center location, and a business development center. These projects are accounted for in the County Buildings Capital Project Fund.

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus - Basis of Accounting (Continued)

The County reports the following major governmental funds: (continued)

A State Capital and Infrastructure Fund (SCIF) grant in the amount of \$2,000,000 was received in fiscal year 2022. This fund is to be used for improvements to the County Courthouse. These projects are accounted for in the State Capital and Infrastructure Fund Courthouse Fund.

The County reports the following nonmajor governmental funds:

Special revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains the following special revenue funds: Transportation Fund, Fairgrounds Fund, Drug Fund, Emergency Telephone System Fund, Soil and Water Fund, Representative Payee Fund, CARES Fund, Earthquake Fund, Deed of Trust Fund, ARPA Fund, DPS Law Enforcement Grant Fund, Fire Tax Fund, and the Opioid Settlement Fund.

Capital project funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains the following capital project funds within its governmental fund types: School Capital Project Fund, SCIF Capital Project, and Outdoor Recreation Capital Project Fund.

The County reports the following major proprietary funds:

The Landfill Fund account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income are appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has one Enterprise Fund - the Landfill Fund.

Additionally, the County reports the following fund types:

Custodial funds account for assets held by the County on behalf of others that meet certain criteria. The County maintains the following custodial funds:

Jail Inmate Fund which holds cash deposits made to inmates as payment for work performed while incarcerated as well as collections for the benefit of inmates from their friends and families.

Town of Sparta Tax Fund which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for Town of Sparta but are not revenues of the County.

Library Fund which accounts for donations to be used for the local library.

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

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus - Basis of Accounting (Continued)

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and custodial fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. 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 measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus - Basis of Accounting (Continued)

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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, all Special Revenue Funds, the School Capital Project Fund, and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. All capital project funds, except the School Capital Project Fund, the Opioid Settlement Fund, and ARPA Special Revenue Fund adopted a project ordinance. Expenditures may not legally exceed appropriations all departmental level for the General Fund, special revenue funds, the Enterprise Fund, and at the object level for the capital project funds.

All budgets are prepared using the modified accrual basis of accounting. The Budget Officer is authorized by the budget ordinance to reallocate appropriations within a department without limit and effect transfers between departments in the same fund, not to exceed 10% of the department budget being reduced. Notation of all such transfers is made to the Board on the next succeeding financial report. Amendments are required for any revisions that alter total expenditures of any fund. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers the time until the ordinance can be adopted.

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

1. Deposit and Investments

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

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

1. Deposit and Investments (Continued)

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).

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and investments with a maturity date of 90 days or less at time of purchase to be cash and cash equivalents.

3. Restricted Assets

Money in the Tax Revaluation Fund is classified as restricted cash because its use is restricted per North Carolina General Statute 153A-150. Money in the Register of Deeds Fund is classified as restricted cash because its use is restricted per North Carolina General Statutes 161-10. The unexpended debt proceeds are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued.

	Governmental Activities
General Fund	
Revaluation	\$ 45,239
Register of Deeds	76,912
Other Governmental Funds	
Forfeiture funds	52,083
Total	<u>\$ 174,234</u>

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

4. Ad Valorem Taxes Receivable

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

5. Allowance for Doubtful Accounts

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

6. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Certain items acquired before June 30, 1982 are recorded at an estimated original cost. Minimum capitalization costs are \$5,000 for all asset types. The total of such estimates is not considered large enough that the errors would be material when capital assets are considered as a whole. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Alleghany County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education after 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 Alleghany County Board of Education.

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

7. Capital Assets (Continued)

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

Asset	Years
Buildings	40
Improvements	8-15
Equipment and vehicles	3-20

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - a charge on refunding, pension, and contributions made to the OPEB or pension 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 assets that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category - prepaid taxes, special assessments receivable, and other OPEB or pension related deferrals.

9. Right-to use lease assets

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease or the useful life of the underlying asset.

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 on the statements of net position.

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

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

11. Compensated Absences

The vacation policies of the County provides 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 liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policy of the County provides for an unlimited accumulated 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 County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made. The County accepts transfer of up to 500 hours of sick leave from other jurisdictions belonging to the North Carolina Local Governmental Employees' Retirement System, the Law Enforcement Officers' Benefit and Retirement Fund, the North Carolinas Teachers' and State Employees' Retirement System, or other affiliated North Carolina governmental retirement systems if approved by the County Manager.

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 \$36,889 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2022. 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.

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

13. Reimbursement for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$2,163,232 of fiscal recovery funds to be paid in two equal installments. The first installment of \$1,081,616 was received in July 2021. The second installment was received in July 2022. County staff and the Board of Commissioners have elected to use \$1,081,616 for revenue replacement funds and those funds were transferred to the General Fund as appropriate during 2022.

14. 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.
- **Restricted Fund Balance -** This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Note 1-Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

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 Public Safety - portion of fund balance that is restricted by revenue source for public safety related activities, such as police, fire, EMS, and E-911.

Restricted for Recreation - portion of fund balance that is restricted by donor stipulations to be used for County recreation projects.

Restricted for Capital Outlay - portion of fund balance relating to unspent debt proceeds which are restricted for the purpose for which the debt was issued.

Restricted fund balance is as follows:

Purpose	General Fund	County Buildings Capital Project Fund	Other Governmental Funds	Total
Register of Deeds	\$ 76,912	\$ -	\$ -	\$ 76,912
Stabilization by State Statute	1,262,549	-	196,859	1,459,408
Emergency Telephone System	-	-	195,916	195,916
Forfeiture funds	-	-	52,083	52,083
Recreation	-	-	98,364	98,364
Total	<u>\$ 1,339,461</u>	<u>\$ -</u>	<u>\$ 543,222</u>	<u>\$ 1,882,683</u>

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

- **Committed Fund Balance** - This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Alleghany County's governing body (highest level of decision-making authority, the Board of Commissioners). The governing body can, by adoption of ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

- **Assigned Fund Balance** - The portion of fund balance that the County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and Finance Officer, as granted in the officially adopted budget ordinance, have been granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager and Finance Officer to make certain modifications without requiring Board approval.

Assigned for General Government Administration - portion of fund balance budgeted by the Board for general government administration activities and projects.

Assigned for Economic and Physical Development - portion of fund balance budgeted by the Board for economic development incentives and projects.

Assigned for Environmental Protection - portion of fund balance budgeted by the Board to be used to support environmental protection initiatives, such as soil and water conservations.

Assigned for Human Services - portion of fund balance budgeted by the Board for human services activities and projects.

Assigned for Capital Outlay - portion of fund balance budgeted by the Board for future capital related activities.

Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

Assigned fund balance is as follows:

Purpose	Other Governmental Funds
General government administration	\$ 81,285
Economic and physical development	15,549
Environmental protection	83
Human services	197,283
Capital outlay	1,093,591
Total	<u>\$ 1,387,791</u>

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

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond/debt proceeds, federal funds, state funds, local non-county funds, and 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 is in the best interest of the County or when required by grant or other contractual agreements. The County has not officially adopted a fund balance policy.

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Note 1-Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

12. Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. 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.

13. Available for Appropriation

The following schedule provides management and citizens with information on the portion of fund balance in the governmental funds that is available for appropriation as of June 30, 2022:

	General Fund	Transportation Fund	Fairgrounds Fund	Drug Fund	Emergency Telephone Fund	Soil and Water Fund	
Total fund balance	\$ 9,067,926	\$ 346,999	\$ 15,549	\$ 52,083	\$ 213,234	\$ 83	
Less Stabilization by State Statute	(1,262,549)	(179,541)	-	-	(17,318)	-	
Total available fund balance	<u>\$ 7,805,377</u>	<u>\$ 167,458</u>	<u>\$ 15,549</u>	<u>\$ 52,083</u>	<u>\$ 195,916</u>	<u>\$ 83</u>	
	Representative Payee Fund	Earthquake Fund	Deed of Trust Fund	Fire Tax Fund	School Capital Proj. Fund	Outdoor Rec. Capital Proj. Fund	Total
(continued)							
Total fund balance	\$ 29,825	\$ 81,285	\$ -	\$ (95,573)	\$ 1,093,591	\$ 98,364	\$ 10,903,366
Less Stabilization by State Statute	-	-	-	-	-	-	(1,459,408)
Total available fund balance	<u>\$ 29,825</u>	<u>\$ 81,285</u>	<u>\$ -</u>	<u>\$ (95,573)</u>	<u>\$ 1,093,591</u>	<u>\$ 98,364</u>	<u>\$ 9,443,958</u>

Note 1-Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity (Continued)

14. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts, depreciation lives, and pension and OPEB liabilities.

Note 2-Stewardship, Compliance and Accountability

Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

There were no significant violations with North Carolina General Statutes for the year ended June 30, 2022.

2. Contractual Violations

There were no significant violations with contracts for the year ended June 30, 2022.

3. Deficit Fund Balance of Individual Funds

At June 30, 2022, only the Fire Tax Fund had a deficit fund balance.

4. Excess of Expenditures over Appropriations

For fiscal year ended June 30, 2022, the Deed of Trust, Earthquake, and Representative Payee funds overspent the approved appropriations.

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Note 3-Deposits

All the County's and TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and TDA's agents in these units' names. 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 and TDA, these deposits are held by their agents in the entities' names. 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 and TDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and TDA 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and TDA rely on the State Treasurer to monitor those financial institutions. The County and TDA analyze the financial soundness of any other financial institution used by the County and TDA. The County and TDA comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$12,865,019 and a bank balance of \$13,238,269. Of the bank balance, \$250,000 was covered by federal depository insurance and \$12,837,650 was covered by collateral held under the Pooling Method. At June 30, 2022, the County had \$1,908 cash on hand and \$1,150 was held in for inmates and the library within the Jail Inmate and Library Funds.

At June 30, 2022, the TDA's deposits had a carrying amount and bank balance of \$222,631. These funds are held by Alleghany County in a central depository account, and therefore, all balances are considered to be covered by collateral held under the Pooling Method.

The County and TDA have no policy regarding custodial credit risk for deposits.

Note 4-Property Tax-Use-Value Assessment on Certain Lands

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

Year				
Levied	Tax	Interest	Total	
2019	\$ 2,111,147	\$ 168,892	\$ 2,280,039	
2020	2,118,511	169,481	2,287,992	
2021	2,182,440	174,595	2,357,035	
2022	2,193,838	175,507	2,369,345	
Total	<u>\$ 8,605,936</u>	<u>\$ 688,475</u>	<u>\$ 9,294,411</u>	

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ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 5-Receivables-Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2022, were as follows:

	Accounts	Taxes	Due from Other Governments	Total
Governmental Activities				
General	\$ 2,397,512	\$ 265,432	\$ 1,143,190	\$ 3,806,134
Other governmental	196,859	18,396	-	215,255
Total receivables	\$ 2,594,371	\$ 283,828	\$ 1,143,190	\$ 4,021,389
Allowance for doubtful accounts	(2,200,455)	(26,635)	-	(2,227,090)
Total governmental activities	<u>\$ 393,916</u>	<u>\$ 257,193</u>	<u>\$ 1,143,190</u>	<u>\$ 1,794,299</u>
Business-type Activities				
Solid waste	\$ 93,508	\$ -	\$ -	\$ 93,508
Allowance for doubtful accounts	(21,549)	-	-	(21,549)
Total business-type activities	<u>\$ 71,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,959</u>

Due from other governments consisted of the following:

Local options sales tax	\$ 525,788
Sales tax refund	67,312
Other	550,090
Total	<u>\$ 1,143,190</u>

The Tourism Development Authority's receivables consist of occupancy taxes from local hotels of \$24,835. Management expects all accounts receivable to be collected; therefore, no allowance for doubtful accounts has been recorded.

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ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 6-Capital Assets

Summary of Capital Assets

Capital asset activity in the for the year ended June 30, 2022, was as follows:

	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 507,639	\$ 82,100	\$ -	\$ 589,739
Construction in progress	564,089	196,381	(542,523)	217,947
Total capital assets not being depreciated	<u>\$ 1,071,728</u>	<u>\$ 278,481</u>	<u>\$ (542,523)</u>	<u>\$ 807,686</u>
Capital assets, being depreciated:				
Buildings	\$ 23,478,329	\$ 380,160	\$ -	\$ 23,858,489
Improvements	7,396,896	162,363	-	7,559,259
Equipment and vehicles	5,448,612	250,298	(131,089)	5,567,821
Total capital assets being depreciated	<u>\$ 36,323,837</u>	<u>\$ 792,821</u>	<u>\$ (131,089)</u>	<u>\$ 36,985,569</u>
Accumulated depreciation:				
Buildings	\$ (9,419,511)	\$ (596,961)	\$ -	\$ (10,016,472)
Improvements	(3,432,011)	(496,757)	-	(3,928,768)
Equipment and vehicles	(4,131,806)	(404,345)	114,981	(4,421,170)
Total accumulated depreciation	<u>\$ (16,983,328)</u>	<u>\$ (1,498,063)</u>	<u>\$ 114,981</u>	<u>\$ (18,366,410)</u>
Total capital assets being depreciated, net	<u>\$ 19,340,509</u>	<u>\$ (705,242)</u>	<u>\$ (16,108)</u>	<u>\$ 18,619,159</u>
Governmental activities capital assets, net	<u>\$ 20,412,237</u>	<u>\$ (426,761)</u>	<u>\$ (558,631)</u>	<u>\$ 19,426,845</u>

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ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 6-Capital Assets (Continued)

Summary of Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 110,183	\$ -	\$ -	\$ 110,183
Capital assets, being depreciated:				
Buildings	\$ 342,698	\$ -	\$ -	\$ 342,698
Equipment and vehicles	553,907	125,929	-	679,836
Land improvements	115,343	-	-	115,343
Total capital assets being depreciated	\$ 1,011,948	\$ 125,929	\$ -	\$ 1,137,877
Accumulated depreciation:				
Buildings	\$ (215,640)	\$ (8,567)	\$ -	\$ (224,207)
Equipment and vehicles	(390,748)	(54,299)	-	(445,047)
Land improvements	(56,862)	(5,507)	-	(62,369)
Total accumulated depreciation	\$ (663,250)	\$ (68,373)	\$ -	\$ (731,623)
Total capital assets being depreciated, net	\$ 348,698	\$ 57,556	\$ -	\$ 406,254
Business-type activities capital assets, net	\$ 458,881	\$ 57,556	\$ -	\$ 516,437

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

Governmental Activities:	
General government administration	\$ 1,226,222
Public safety	227,778
Public works	15,011
Economic and physical development	1,164
Human services	7,804
Cultural and recreation	20,084
Total depreciation expense-governmental activities	\$ 1,498,063

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 6-Capital Assets (Continued)

Construction Commitments

The County had one active construction project as of June 30, 2022. The project is a Generator installation. At June 30, 2022, the government's commitments with contractors are as follows:

Project	Amount of Contract	Amount Outstanding	Accounts Payable	Retainage Payable
Generator Installation	\$ 156,575	\$ 156,575	\$ 57,065	\$ 6,341

Note 7-Right to Use Lease Assets

The County has recorded one right to use leased asset, as recorded in the Landfill Fund. The asset is a right to use assets for leased machinery and equipment. 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 the County for the year ended June 30, 2022, was as follows:

	As adjusted, Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets				
Leased machinery and equipment	\$ 116,962	\$ -	\$ -	\$ 116,962
Total right to use assets	\$ 116,962	\$ -	\$ -	\$ 116,962
Less accumulated amortization for:				
Leased machinery and equipment	\$ -	\$ 36,898	\$ -	\$ 36,898
Total accumulated amortization	\$ -	\$ 36,898	\$ -	\$ 36,898
Right to use assets, net	\$ 116,962	\$ (36,898)	\$ -	\$ 80,064

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8-Payables

Payables at the government-wide level at June 30, 2022, were as follows:

	Vendors	Accrued Payroll	Total
Governmental activities			
General	\$ 223,294	\$ 226,826	\$ 450,120
State Capital and Infrastructure Fund Capital Project Fund	26,018	-	26,018
Other governmental	63,406	2,195	65,601
Total governmental activities	<u>\$ 312,718</u>	<u>\$ 229,021</u>	<u>\$ 541,739</u>
Business-type activities			
Landfill	<u>\$ 61,124</u>	<u>\$ 2,152</u>	<u>\$ 63,276</u>

As of June 30, 2022, the Tourism Development Authority's payables consisted of vendor payables.

Note 9-Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description

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

Note 9-Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

Benefits Provided

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

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

Contributions

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022, was 13.04% of compensation for law enforcement officers and 12.10% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$602,725 for the year ended June 30, 2022.

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.

Note 9-Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

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

At June 30, 2022, the County reported a liability of \$986,716 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022 the County's proportion was 0.06434% (measured as of June 30, 2021), which was a decrease of 0.00781% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$374,184. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 313,910	\$ -
Change in assumptions	619,909	-
Net difference between projected and actual earnings on pension plan investments	-	1,409,720
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	145,611
Employer contributions subsequent to the measurement date	602,725	-
Total	<u>\$ 1,536,544</u>	<u>\$ 1,555,331</u>

Note 9-Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

\$602,725 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Total
2023	\$ 40,861
2024	(79,274)
2025	(151,717)
2026	(431,382)
2027	-
Thereafter	-
	<u>\$ (621,512)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25 percent
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

Note 9-Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

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

Discount rate

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

Note 9-Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 3,830,348	\$ 986,716	\$ (1,353,441)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

Law Enforcement Officers' Special Separation Allowance

Plan Description

Alleghany 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.

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Note 9-Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance (Continued)

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2020 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Active plan members	24
Total	<u>26</u>

Summary of Significant Accounting Policies:

Basis of Accounting

The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increase	3.25-7.75 percent per annum
Inflation	2.50 percent per annum
Discount rate	2.25 percent per annum, compounded annually

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Note 9-Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance (Continued)

Mortality Rate:

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

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

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

Deaths Before Retirement: Mortality rates are based on the Pub-2010 amount-weighted Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

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 \$15,289 as benefits came due for the reporting period.

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

At June 30, 2022, the County reported a total pension liability of \$645,972. The total pension liability was measured as of June 30, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$96,110.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,857	\$ 2,204
Change in assumptions	135,678	22,344
Employer contributions subsequent to the measurement date	15,289	-
Total	<u>\$ 197,824</u>	<u>\$ 24,548</u>

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 9-Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance (Continued)

The County paid \$15,289 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Total
2023	\$ 40,986
2024	35,153
2025	35,082
2026	32,367
2027	16,558
Thereafter	(2,159)

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 711,128	\$ 645,972	\$ 587,109

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

Beginning balance	632,418
Service cost	42,995
Interest on the total pension liability	12,025
Changes of benefit terms	-
Differences between expected and actual experience	(2,596)
Changes of assumptions or other inputs	(20,143)
Benefit payments	(18,727)
Ending balance of the total pension liability	645,972

Note 9-Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance (Continued)

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2020 (measurement date) to 2.25 percent at June 30, 2021 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study as of December 31, 2019.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County contributed \$20,000 for the reporting year. No amounts were forfeited.

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Note 9-Pension Plan Obligations (Continued)

Registers of Deeds' Supplemental Pension Fund

Plan Description

Alleghany County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer 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 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 Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers 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.

Benefits Provided

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

Contributions

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,693 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$29,794 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, 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, 2021, the County's proportion was 0.15507%, which was an increase of 0.00239% from its proportion measured as of June 30, 2020.

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 9-Pension Plan Obligations (Continued)

Registers of Deeds' Supplemental Pension Fund (Continued)

For the year ended June 30, 2022, the County recognized pension expense of \$1,372. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 318	\$ 361
Net difference between projected and actual earnings on pension plan investments	-	91
Changes of Assumptions	2,173	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	330	926
Employer contributions subsequent to the measurement date	1,693	-
Total	<u>\$ 4,514</u>	<u>\$ 1,378</u>

\$1,693 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, 2023.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Total
2023	\$ 411
2024	405
2025	(70)
2026	697
2027	-
Thereafter	-

Note 9-Pension Plan Obligations (Continued)

Registers of Deeds' Supplemental Pension Fund (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.25%. 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 System contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 9-Pension Plan Obligations (Continued)

Registers of Deeds' Supplemental Pension Fund (Continued)

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (23,665)	\$ (29,794)	\$ (34,943)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

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

The net pension liability (asset) for LGERS and ROD was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 986,716	n/a	\$ (29,794)	\$ 956,922
Proportion of the net pension liability (asset)	0.06434%	n/a	0.15507%	n/a
Total pension liability	n/a	\$ 645,972	n/a	\$ 645,972
Pension expense	\$ 374,184	\$ 96,110	\$ 1,372	\$ 471,666

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 9-Pension Plan Obligations (Continued)

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	LGERS	LEOSSA	ROD	Total
Differences between expected and actual experience	\$ 313,910	\$ 46,857	\$ 318	\$ 361,085
Change in assumptions	619,909	135,678	2,173	757,760
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	330	330
Employer contributions subsequent to the measurement date	602,725	15,289	1,693	619,707
Total	<u>\$ 1,536,544</u>	<u>\$ 197,824</u>	<u>\$ 4,514</u>	<u>\$ 1,738,882</u>
Deferred Inflows of Resources	LGERS	LEOSSA	ROD	Total
Differences between expected and actual experience	\$ -	\$ 2,204	\$ 361	\$ 2,565
Change in assumptions	-	22,344	-	22,344
Net difference between projected and actual earnings on pension plan investments	1,409,720	-	91	1,409,811
Changes in proportion and differences between employer contributions and proportionate share of contributions	145,611	-	926	146,537
Total	<u>\$ 1,555,331</u>	<u>\$ 24,548</u>	<u>\$ 1,378</u>	<u>\$ 1,581,257</u>

Note 10-Other Postemployment Benefits

Plan description

Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System). A separate report was not issued for the plan.

Benefits

The County pays the full cost of coverage for these benefits for retirees who began working for the County on or before October 16, 2006. The cost of coverage is prorated for full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age sixty-five and then Medicare assumes coverage. All full-time employees whose effective state date is on or after July 1, 2015 that qualify for retiree health insurance in accordance with adopted policies will not receive County insurance benefits after becoming eligible for Medicare. The Board of Commissioners may amend the benefit provisions.

Effective January 1, 2016, all retirees upon reaching Medicare age or the age of 65 that were employed prior to October 16, 2006, shall have their insurance transferred to a Medicare gap plan that is substantially similar to the health insurance coverage offered at that time by the County.

Note 10-Other Postemployment Benefits (Continued)

County Contributions Based on Years of Creditable Service		
Years of Creditable Service	Date Hired	
	On or Before October 16, 2006	After October 16, 2006
Less than 5	Not eligible	Not eligible
Less than 10	100.00%	Not eligible
Between 10 and 14	100.00%	75.00%
Between 15 and 19	100.00%	93.75%
20 years or more	100.00%	100.00%

Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation.

Inactive employees or beneficiaries	
currently receiving benefits	43
Active employees	109
Total	<u>152</u>

Total OPEB Liability

The County's total OPEB liability of \$12,421,753, was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Discount rate	2.16 percent
Inflation	2.50 percent
Real wage growth	.75 percent
Wage inflation	3.25 percent
Salary increases	General employees - 3.25%-8.41%
	Fire fighters - 3.25%-8.15%
	Law enforcement officers -3.25%-7.9%
Healthcare cost trends	Pre-Medicare Medical and Prescription Drug - 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031; Medicare Medical and Prescription Drug - 5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024

Note 10-Other Postemployment Benefits (Continued)

The discount rate is based on the Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate.

Mortality rates were based on the PUB-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2019, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Schedule of Changes in Total OPEB Liability	
Total OPEB liability as of July 1, 2020	\$ 12,150,214
Changes for the year:	
Service cost	542,198
Interest	274,512
Difference between expected and actual experience	(598,517)
Changes in assumptions and other inputs	598,472
Benefit payments and implicit subsidy credit	(545,126)
Net changes	\$ 271,539
Balances at June 30, 2021	<u>\$ 12,421,753</u>

Changes in assumptions and other inputs reflect a change in the discount rate.

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 one percentage point lower (1.16 percent) or on percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	<u>\$ 14,748,144</u>	<u>\$ 12,421,753</u>	<u>\$ 10,594,303</u>

Note 10-Other Postemployment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (Pre-Medicare 6%; Medicare 4.125%)	Discount Rate (Pre-Medicare 7%; Medicare 5.125%)	1% Increase (Pre-Medicare 8%; Medicare 6.125%)
Total OPEB liability	<u>\$ 10,400,486</u>	<u>\$ 12,421,753</u>	<u>\$ 15,038,587</u>

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$739,910. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,135	\$ 1,171,931
Change in assumptions	2,079,106	520,267
Employer contributions subsequent to the measurement date	191,710	-
Total	<u>\$ 2,272,951</u>	<u>\$ 1,692,198</u>

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Note 10-Other Postemployment Benefits (Continued)

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Continued)*

\$191,710 reported as deferred outflows of resources related to OPEB resulting from benefit payments and administrative expense incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	
June 30	Total
2023	\$ (76,800)
2024	(62,785)
2025	71,132
2026	141,284
2027	309,946
Thereafter	6,266

Note 11-Other Employment Benefits

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

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ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 12-Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

Source	Government- Wide Statement of Net Position
Contributions to pension plans in the current fiscal year	\$ 604,418
Benefit payments/administration costs paid for LEOSSA subsequent to the measurement date	15,289
Benefit payments/administration costs paid for OPEB subsequent to the measurement date	191,710
Differences between expected and actual experience	363,220
Changes of assumptions	2,836,866
Change in proportion and difference between County contributions and proportionate share of contributions	330
Total	<u>\$ 4,011,833</u>

Deferred inflows of resources at year-end are comprised of the following:

Source	Governmental Funds	Government- Wide Statement of Net Position
Prepaid taxes not yet earned (General)	\$ 71,904	\$ 71,904
EMS receivable, net (General)	173,271	-
Ad valorem taxes receivable, net (General)	257,193	-
Differences between expected and actual experience	-	1,174,496
Changes of assumptions	-	542,611
Net difference between projected and actual earnings on pension plan investments	-	1,409,811
Change in proportion and difference between County contributions and proportionate share of contributions	-	146,537
Total	<u>\$ 502,368</u>	<u>\$ 3,345,359</u>

Note 13-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 two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency.

Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices , and law enforcement liability coverage of \$2 million per occurrence (some members purchase higher limits), auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the North Carolina statutory limits.

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a \$500,000 retention up to a \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for workers' compensation.

Through the captive, the Liability and Property Pool is reinsured for \$2,000,000 of annual aggregate losses in excess of \$500,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$998 million purchased through a group of commercial carriers through the multi-state public entity captive.

In accordance with G.S. 159-29, County employees who have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere.

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

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ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14-Long-term Obligations

Leases

The County has entered into an agreement to lease certain equipment. The lease agreement qualifies 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.

The first agreement was executed in July 2021 to lease landfill equipment and requires 38 monthly payments of \$3,179. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.00%, which is the stated rate in the lease agreement. As a result of the lease, the County has recorded a right to use lease asset with a net book value of \$80,064 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 36,868	\$ 12,780	\$ 49,648
2024	37,612	536	38,148
2025	6,343	16	6,359
Total	<u>\$ 80,823</u>	<u>\$ 13,332</u>	<u>\$ 94,155</u>

Primary Government-Governmental Activities Obligations

The following is a summary of long-term obligations transactions of the County for the year ended June 30, 2022:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct borrowings and direct placements	\$ 4,495,390	\$ -	\$ (1,082,463)	\$ 3,412,927
Total pension liability (LEOSSA)	632,418	55,020	(41,466)	645,972
Net pension liability (LGERs)	2,361,977	894,672	(2,295,072)	961,577
Compensated absences	384,669	258,620	(288,502)	354,787
Total OPEB liability	<u>11,686,075</u>	<u>1,537,473</u>	<u>(1,114,823)</u>	<u>12,108,725</u>
Total	<u>\$ 19,560,529</u>	<u>\$ 2,745,785</u>	<u>\$ (4,822,326)</u>	<u>\$ 17,483,988</u>

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14-Long-term Obligations (Continued)

Primary Government-Governmental Activities Obligations (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2023	\$ 814,515	\$ 61,366
2024	621,286	41,958
2025	583,488	29,315
2026	268,797	17,713
2027	248,363	13,533
2028-2032	784,813	17,641
2033	91,665	-
Totals	<u>\$ 3,412,927</u>	<u>\$ 181,526</u>

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Total Amount	Amount Due Within One Year
Direct Borrowings and Direct Placements:						
Blue Ridge Library	0.00%	10/20/2016	2027	306,525	132,826	30,652
School Construction	1.97%	12/22/2009	2025	3,339,585	667,917	222,639
School Construction	5.29%	12/16/2010	2025	418,230	89,621	29,874
Safety Training/Glade Creek	2.51%	4/10/2013	2029	847,176	338,871	56,478
Ambulance/EMS Vehicle	3.63%	6/7/2019	2024	183,943	77,054	37,836
Building Improvements	3.07%	6/20/2019	2030	900,000	720,000	90,000
Equipment and Vehicles	2.34%	12/12/2019	2025	297,000	182,305	59,368
Vehicles and Equipment	2.29%	9/28/2017	2023	579,647	121,238	121,238
QZAB School Improvements	0.00%	10/20/2017	2033	1,375,000	1,008,332	91,667
Dispatch Equipment	4.97%	8/4/2018	2023	340,053	74,763	74,763
Total direct borrowings and direct placements					<u>\$ 3,412,927</u>	<u>\$ 814,515</u>
Other Obligations:						
Total pension liability (LEOSSA)					\$ 645,972	\$ -
Net pension liability (LGRS)					961,577	-
Compensated absences					354,787	266,090
Total OPEB liability					12,108,725	-
Total other obligations					<u>\$ 14,071,061</u>	<u>\$ 266,090</u>
Total long-term obligations					<u>\$ 17,483,988</u>	<u>\$ 1,080,605</u>

Compensated absences for governmental activities typically have been liquidated in the General Fund. Compensated absences are accounted for on a FIFO basis, assuming that employees are taking leave time as it is earned.

ALLEGHANY COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14-Long-term Obligations (Continued)

Primary Government-Governmental Activities Obligations (Continued)

All of the County's direct borrowing installment purchases are secured by pledges of collateral for the properly acquired by the financing.

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed a construction project for Alleghany county Board of Education during the fiscal year ended June 30, 1996 by installment purchase. The installment purchase was issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The County has entered into a lease with Alleghany County Board of Education which transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education.

Primary Government-Business-type Activities Indebtedness

The following is a summary of long-term obligations transactions of the Enterprise Fund for the year ended June 30, 2022:

	As adjusted, Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct borrowings and direct placements	\$ 40,196	\$ -	\$ (40,196)	\$ -
Net pension liability (LGERS)	216,250	39,147	(230,258)	25,139
Compensated absences	14,708	11,754	(11,031)	15,431
Lease liabilities	116,962	-	(36,139)	80,823
Accrued landfill closure and post-closure care costs	4,818	-	-	4,818
Total OPEB liability	464,139	35,662	(186,773)	313,028
Total	<u>\$ 857,073</u>	<u>\$ 86,563</u>	<u>\$ (504,397)</u>	<u>\$ 439,239</u>

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
<u>Other Obligations:</u>		
Net pension liability (LGERS)	\$ 25,139	\$ -
Compensated absences	15,431	11,573
Lease liabilities	80,823	36,868
Accrued landfill closure and post-closure care costs	4,818	-
Total OPEB liability	313,028	-
Total other obligations	<u>\$ 439,239</u>	<u>\$ 48,441</u>
Total long-term obligations	<u>\$ 439,239</u>	<u>\$ 48,441</u>

Note 15-Post-Closure Care Costs-Landfill Facility

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$4,818 reported as landfill postclosure care liability at June 30, 2022 represents an estimate of present value of the costs to monitor and maintain the closed facility for the next 30 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects to fund post-closure care costs as they are incurred from the operations of the Landfill Fund. However, if operating results are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users or by future tax revenues.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements.

Note 16-Interfund Activity

Transfers to/from other funds at June 30, 2022 as noted below:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 1,392,318	\$ 1,607,681
County Building Capital Projects Fund	-	117,370
Emergency Telephone System Fund	46,125	-
Earthquake Fund	57,230	100,350
Transportation Fund	-	-
Deed of Trust Fund	-	153,422
School Capital Project Fund	825,495	-
Landfill Fund	70,288	-
ARPA Fund	668,983	1,081,616
Total	<u>\$ 3,060,439</u>	<u>\$ 3,060,439</u>

Note 17-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 moneys 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 moneys.

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2022-23 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID- 19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Note 18-Adoption of Accounting Principles

The County implemented provisions of Governmental Accounting Standards Board Statement No. 87, *Leases* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

Business-type Activities:

Right to use asset - machinery & equipment	\$ 116,962
Lease liability	\$ (116,962)

Note 19-Subsequent Events

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On July 28, 2022, the County received \$1,081,616 in its second half of the American Rescue Plan Act (ARPA) funding. The County has elected to use the standard allowance of revenue replacement and allocating the ARPA funds to government services.

Note 20-Upcoming Pronouncements

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

Alleghany County, North Carolina
 Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
 Local Governmental Employees' Retirement System
 Last Nine Fiscal Years*

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
Primary Government					
2022	0.06434% \$	986,716 \$	4,716,708	20.92%	92.00%
2021	0.07215%	2,578,227	5,306,689	48.58%	94.18%
2020	0.07339%	2,004,224	4,835,063	41.45%	91.47%
2019	0.07064%	1,675,822	4,048,445	41.39%	98.09%
2018	0.06704%	1,024,185	3,821,214	26.80%	98.79%
2017	0.06400%	1,358,294	3,632,539	37.39%	102.64%
2016	0.06249%	280,451	3,552,484	7.89%	94.35%
2015	0.06033%	(355,794)	3,455,839	-10.30%	98.22%
2014	0.06280%	756,981	3,362,242	22.51%	96.45%

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

Schedule is intended to show information for 10 years. Information prior to 2014 is not available for the County. However, additional years will be included as they become available.

Alleghany County, North Carolina
 Schedule of Employer Contributions
 Local Governmental Employees' Retirement System
 Last Nine Fiscal Years

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll
	(1)	(2)	(3)	(4)	(5)
2022	\$ 602,725	\$ 602,725	\$ -	\$ 5,334,675	11.30%
2021	482,183	482,183	-	4,716,708	10.22%
2020	458,083	458,083	-	5,306,689	8.63%
2019	362,087	362,087	-	4,835,063	7.49%
2018	309,545	309,545	-	4,048,445	7.65%
2017	279,302	279,302	-	3,821,214	7.31%
2016	243,604	243,604	-	3,632,539	6.71%
2015	243,788	243,788	-	3,552,484	6.86%
2014	241,905	241,905	-	3,455,839	7.00%

Schedule is intended to show information for 10 years. Information prior to 2014 is not available for the County. However, additional years will be included as they become available.

Alleghany County, North Carolina
 Schedule of Changes in Total Pension Liability and Related Ratios
 Law Enforcement Officers' Special Separation Allowance
 Last Six Fiscal Years*

	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 632,418	\$ 393,460	\$ 345,997	\$ 343,028	\$ 308,408	\$ 317,365
Changes for the year:						
Service Cost	42,995	26,065	20,307	19,805	15,191	15,532
Interest on the total pension liability	12,025	12,510	12,253	10,401	11,369	10,834
Differences between expected and actual experience in the measurement of the total pension liability	(2,596)	39,674	20,874	15,101	16,063	-
Changes of assumptions or other inputs	(20,143)	180,156	12,756	(14,570)	19,765	(7,555)
Benefit payments	(18,727)	(19,447)	(18,727)	(27,768)	(27,768)	(27,768)
Net changes	13,554	238,958	47,463	2,969	34,620	(8,957)
Ending balance of the total pension liability	\$ 645,972	\$ 632,418	\$ 393,460	\$ 345,997	\$ 343,028	\$ 308,408
Covered-employee payroll	\$ 997,504	\$ 990,047	\$ 793,286	\$ 701,478	\$ 599,223	\$ 587,782
Total pension liability as a percentage of covered-employee payroll	64.76%	63.88%	49.60%	49.32%	57.25%	52.47%

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

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Alleghany County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Registers of Deeds' Supplemental Pension Fund
Last Nine Fiscal Years*

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
(1)	(2)	(3)	(6)
2022	0.15507%	\$ (29,794)	\$ 156.53%
2021	0.15268%	(34,991)	173.62%
2020	0.14320%	(28,271)	162.50%
2019	0.15004%	(24,851)	153.31%
2018	0.14677%	(25,052)	153.77%
2017	0.14815%	(27,698)	160.17%
2016	0.15224%	(35,280)	197.29%
2015	0.15192%	(34,434)	193.88%
2014	0.14630%	(31,250)	190.50%

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

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Alleghany County, North Carolina
Schedule of Employer Contributions
Registers of Deeds' Supplemental Pension Fund
Last Nine Fiscal Years

Date	Contributions in Relation to		Contribution Deficiency (Excess) (3)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	
2022	\$ 1,693	\$ 1,693	\$ -
2021	1,861	1,861	-
2020	1,461	1,461	-
2019	1,481	1,481	-
2018	1,276	1,276	-
2017	1,163	1,163	-
2016	1,210	1,210	-
2015	1,218	1,218	-
2014	1,240	1,240	-

Schedule is intended to show information for 10 years. Information prior to 2014 is not available for the County. However, additional years will be included as they become available.

Alleghany County, North Carolina
Schedule of Changes in Total OPEB Liability and Related Ratios
Health Insurance
Last Five Fiscal Years*

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 542,198	\$ 379,842	\$ 422,831	\$ 443,280	\$ 492,027
Interest	274,512	341,551	392,293	361,631	320,613
Differences between expected and actual experience	(598,517)	(6,832)	(1,163,028)	4,860	326
Changes in assumptions and other inputs	598,472	2,206,831	(45,102)	(542,706)	(967,256)
Benefit payments and implicit subsidy credit	(545,126)	(297,312)	(327,881)	(353,368)	(325,585)
Net change in total OPEB liability	\$ 271,539	\$ 2,624,080	\$ (720,887)	\$ (86,303)	\$ (479,875)
Total OPEB liability - beginning	12,150,214	9,526,134	10,247,021	10,333,324	10,813,199
Total OPEB liability - ending	\$ 12,421,753	\$ 12,150,214	\$ 9,526,134	\$ 10,247,021	\$ 10,333,324
Covered-employee payroll	\$ 4,015,387	\$ 4,169,340	\$ 4,169,340	\$ 3,685,961	\$ 3,685,961
Total OPEB liability (asset) as a percentage of covered-employee payroll	309.35%	291.42%	228.48%	278.00%	280.34%

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

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Schedule

Valuation Date: 6/30/2021
Measurement Date: 6/30/2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.16%
Inflation	2.50%
Real wage growth	0.75%
Wage Inflation	3.25%
Salary increases, including wage inflation	General employees - 3.25%-8.41% Fire fighters - 3.25%-8.15% Law enforcement officers -3.25%-7.9%
Healthcare Trend Rate	Pre-Medicare Medical and Prescription Drug - 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031 Medicare Medical and Prescription Drug - 5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024
Retirement Age	The average age at retirement is 62
Mortality Rates	Pub-2010 mortality tables, with adjustments for LGRS experience and generational mortality improvements using Scale MP-2019.

Other Supplementary Information

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balances
General Fund Consolidated
For the Year Ended June 30, 2022

	General Fund	Revaluation Fund	Register of Deeds Automation and Preservation Fund	Total General Fund Consolidated
REVENUES				
Ad valorem taxes	\$ 11,681,536	\$ -	\$ -	\$ 11,681,536
Other taxes	3,588,183	-	-	3,588,183
Unrestricted intergovernmental	65,736	-	-	65,736
Restricted intergovernmental	2,354,373	-	-	2,354,373
Permits and fees	241,018	-	-	241,018
Sales and services	911,726	-	-	911,726
Investment earnings	1,837	-	-	1,837
Miscellaneous	506,691	-	-	506,691
Total revenues	\$ 19,351,100	\$ -	\$ -	\$ 19,351,100
EXPENDITURES				
Current				
General government administration	\$ 3,917,191	\$ 850	\$ 2,567	\$ 3,920,608
Public safety	4,135,219	-	-	4,135,219
Economic and physical development	484,356	-	-	484,356
Human services	2,926,763	-	-	2,926,763
Cultural and recreational	308,783	-	-	308,783
Education	2,815,666	-	-	2,815,666
Debt service				
Principal retirement	1,082,463	-	-	1,082,463
Interest and fees	83,186	-	-	83,186
Total debt service	\$ 1,165,649	\$ -	\$ -	\$ 1,165,649
Total expenditures	\$ 15,753,627	\$ 850	\$ 2,567	\$ 15,757,044
Excess (deficiency) of revenues over (under) expenditures	\$ 3,597,473	\$ (850)	\$ (2,567)	\$ 3,594,056
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,382,470	\$ -	\$ 9,848	\$ 1,392,318
Transfers out	(1,607,681)	-	-	(1,607,681)
Sale of capital assets	3,682	-	-	3,682
Total other financing sources (uses)	\$ (221,529)	\$ -	\$ 9,848	\$ (211,681)
Net change in fund balances	\$ 3,375,944	\$ (850)	\$ 7,281	\$ 3,382,375
Fund balances - beginning	5,569,831	46,089	69,631	5,685,551
Fund balances - ending	\$ 8,945,775	\$ 45,239	\$ 76,912	\$ 9,067,926

Schedule B-2

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Final	Actual		
REVENUES					
Ad valorem taxes:					
Taxes	\$ 11,023,932	\$ 11,023,932	\$ 11,621,406	\$	597,474
Penalties and interest	54,100	54,100	60,130		6,030
Total	\$ 11,078,032	\$ 11,078,032	\$ 11,681,536	\$	603,504
Other taxes:					
Local option sales taxes	\$ 2,777,100	\$ 3,077,100	\$ 3,497,132	\$	420,032
Cable franchise	12,000	12,000	-		(12,000)
PEG revenue	82,000	82,000	91,051		9,051
Total	\$ 2,871,100	\$ 3,171,100	\$ 3,588,183	\$	417,083
Unrestricted intergovernmental:					
Beer and wine taxes	\$ 41,000	\$ 41,000	\$ 35,862	\$	(5,138)
Contribution from Alleghany Board of Education	-	-	29,874		29,874
Total	\$ 41,000	\$ 41,000	\$ 65,736	\$	24,736
Restricted intergovernmental:					
Federal and state grants	\$ 2,335,973	\$ 2,356,419	\$ 2,354,373	\$	(2,046)
Total	\$ 2,335,973	\$ 2,356,419	\$ 2,354,373	\$	(2,046)
Permits and fees:					
Register and Deed's fees	\$ 90,000	\$ 90,000	\$ 83,100	\$	(6,900)
Beer and wine permits	500	500	1,700		1,200
Building and inspector fees	83,000	83,000	136,408		53,408
Fire inspector fees	3,000	3,000	2,313		(687)
Pistol permits	11,300	11,300	10,865		(435)
Other permits and fees	2,835	2,835	6,632		3,797
Total	\$ 190,635	\$ 190,635	\$ 241,018	\$	50,383
Sales and services:					
Boarding of prisoners	\$ 160,000	\$ 160,000	\$ 235,373	\$	75,373
Facility fees	8,300	8,300	11,307		3,007
Officer fees	16,100	16,100	27,685		11,585
Jail fees	31,500	31,500	36,746		5,246
Fines and forfeitures	30,000	30,000	-		(30,000)
Rents and concessions	58,106	58,106	66,050		7,944
Tag office revenues	40,500	40,500	57,375		16,875
Recreation fees	400	400	19,908		19,508
Ambulance fees	319,057	319,057	457,282		138,225
Total	\$ 663,963	\$ 663,963	\$ 911,726	\$	247,763
Investment earnings:					
Total	\$ -	\$ -	\$ 1,837	\$	1,837
	\$ -	\$ -	\$ 1,837	\$	1,837

Schedule B-2

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES (Continued)				
Miscellaneous:				
ABC Store profit-regular	\$ 30,000	\$ 30,000	\$ 34,889	\$ 4,889
Reimbursements	316,217	316,217	322,249	6,032
Contributions	27,989	61,995	61,732	(263)
Miscellaneous	40,728	215,560	70,660	(144,900)
Payments in lieu of tax	16,000	16,000	17,161	1,161
Total	\$ 430,934	\$ 639,772	\$ 506,691	\$ (133,081)
Total revenues	\$ 17,611,637	\$ 18,140,921	\$ 19,351,100	\$ 1,210,179
EXPENDITURES				
General government administration:				
Governing body	\$ 109,515	\$ 92,897	\$ 86,953	\$ 5,944
Administration	412,766	387,321	344,679	42,642
Finance	302,485	294,382	244,627	49,755
Elections	100,927	105,853	93,497	12,356
Planning/Economic development	138,017	138,633	130,817	7,816
Tax administration	461,465	462,358	403,150	59,208
Mapping	147,515	147,515	104,007	43,508
Court facilities	5,700	6,348	(763)	7,111
Register of deeds	226,313	227,863	221,790	6,073
Public buildings	554,452	589,418	569,164	20,254
Transportation	135,479	134,893	121,990	12,903
Tag office	44,621	44,676	44,618	58
Insurance	1,704,011	1,704,011	1,419,050	284,961
Other general government	148,317	147,717	133,612	14,105
Total general government administration	\$ 4,491,583	\$ 4,483,885	\$ 3,917,191	\$ 566,694
Public safety:				
Sheriff	\$ 1,628,737	\$ 1,657,008	\$ 1,616,335	\$ 40,673
Roaring Gap deputies	110,971	114,598	114,590	8
Jail	939,313	920,741	859,989	60,752
Dispatchers	478,946	486,785	316,746	170,039
Animal control	67,936	67,936	30,518	37,418
Fire and rescue	148,502	153,148	150,484	2,664
Emergency management	66,106	67,634	63,079	4,555
Ambulance service	875,953	876,846	861,868	14,978
Inspections	124,143	126,053	121,610	4,443
Total public safety	\$ 4,440,607	\$ 4,470,749	\$ 4,135,219	\$ 335,530
Economic and physical development:				
Agricultural extension	\$ 174,871	\$ 175,338	\$ 174,485	\$ 853
Soil and water conservation	101,867	101,167	88,004	13,163
Special appropriations	141,025	141,025	141,025	-
Economic development	83,058	82,888	80,842	2,046
Total economic and physical development	\$ 500,821	\$ 500,418	\$ 484,356	\$ 16,062

Schedule B-2

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
Human services:				
Health	\$ 266,412	\$ 271,362	\$ 270,259	\$ 1,103
Mental health	248,517	248,517	248,517	-
Social services administration	1,602,773	1,599,351	1,450,479	148,872
Other social services	1,006,055	1,028,555	905,586	122,969
Veterans administration	42,260	43,720	41,922	1,798
Contributions to other agencies	10,000	10,000	10,000	-
Total human services	\$ 3,176,017	\$ 3,201,505	\$ 2,926,763	\$ 274,742
Cultural and recreational:				
Recreation	130,733	141,684	116,148	\$ 25,536
Libraries	180,635	180,635	180,635	-
Other cultural and recreational	12,000	12,000	12,000	-
Total cultural and recreational	\$ 323,368	\$ 334,319	\$ 308,783	\$ 25,536
Education:				
Public schools-current expense	\$ 2,521,101	\$ 2,521,101	\$ 2,521,101	\$ -
Community-based alternatives	86,556	124,302	118,505	5,797
Wilkes Community College	176,060	176,060	176,060	-
Total education	\$ 2,783,717	\$ 2,821,463	\$ 2,815,666	\$ 5,797
Nondepartmental:				
Contingencies	\$ 202,014	\$ 288,947	\$ -	\$ 288,947
Total nondepartmental	\$ 202,014	\$ 288,947	\$ -	\$ 288,947
Debt service:				
Principal retirement	\$ 1,082,468	\$ 1,082,468	\$ 1,082,463	\$ 5
Interest and fees	84,428	84,428	83,186	1,242
Total debt service	\$ 1,166,896	\$ 1,166,896	\$ 1,165,649	\$ 1,247
Total expenditures	\$ 17,085,023	\$ 17,268,182	\$ 15,753,627	\$ 1,514,555
Excess (deficiency) of revenues over (under) expenditures				
	\$ 526,614	\$ 872,739	\$ 3,597,473	\$ 2,724,734
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 1,382,470	\$ 1,382,470
Transfers out	(526,614)	(872,739)	(1,607,681)	(734,942)
Sale of capital assets	-	-	3,682	3,682
Total other financing sources (uses)	\$ (526,614)	\$ (872,739)	\$ (221,529)	\$ 651,210
Net change in fund balance	\$ -	\$ -	\$ 3,375,944	\$ 3,375,944
Fund balance - beginning			5,569,831	
Fund balance - ending			\$ 8,945,775	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Revaluation Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 600	\$ 600	\$ -	\$ (600)
Total revenues	\$ 600	\$ 600	\$ -	\$ (600)
EXPENDITURES				
General government administration	\$ 59,550	\$ 59,550	\$ 850	\$ 58,700
Total expenditures	\$ 59,550	\$ 59,550	\$ 850	\$ 58,700
Excess (deficiency) of revenues over (under) expenditures	\$ (58,950)	\$ (58,950)	\$ (850)	\$ 58,100
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Appropriated fund balance	8,950	8,950	-	(8,950)
Total other financing sources (uses)	\$ 58,950	\$ 58,950	\$ -	\$ (58,950)
Net change in fund balance	\$ -	\$ -	\$ (850)	\$ (850)
Fund balance - beginning			46,089	
Fund balance - ending			\$ 45,239	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Register of Deeds Automation and Preservation Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General government administration	\$ 58,300	\$ 58,300	\$ 2,567	\$ 55,733
Total expenditures	\$ 58,300	\$ 58,300	\$ 2,567	\$ 55,733
Excess (deficiency) of revenues over (under) expenditures	\$ (58,300)	\$ (58,300)	\$ (2,567)	\$ 55,733
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 58,300	\$ 58,300	\$ 9,848	\$ (48,452)
Total other financing sources (uses)	\$ 58,300	\$ 58,300	\$ 9,848	\$ (48,452)
Net change in fund balance	\$ -	\$ -	\$ 7,281	\$ 7,281
Fund balance - beginning			69,631	
Fund balance - ending			\$ 76,912	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major - County Buildings Capital Project Fund
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Project to Date	Variance with Final Budget Positive (Negative)
REVENUES					
Investment earnings	\$ -	\$ 26	\$ -	\$ 26	\$ 26
Total revenues	\$ -	\$ 26	\$ -	\$ 26	\$ 26
EXPENDITURES					
Capital outlay					
New senior center	\$ 375,130	\$ 367,093	\$ -	\$ 367,093	\$ 8,037
85 East Whitehead Street	162,363	162,363	-	162,363	-
Business development center	292,493	292,493	-	292,493	-
90 South Main Street renovation	25,200	25,200	-	25,200	-
Professional fees	26,132	26,132	-	26,132	-
Contingency	18,682	18,380	-	18,380	302
Total capital outlay	\$ 900,000	\$ 891,661	\$ -	\$ 891,661	\$ 8,339
Total expenditures	\$ 900,000	\$ 891,661	\$ -	\$ 891,661	\$ 8,339
Excess (deficiency) of revenues over (under) expenditures	\$ (900,000)	\$ (891,635)	\$ -	\$ (891,635)	\$ 8,365
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 109,005	\$ -	\$ 109,005	\$ 109,005
Transfers out	-	-	(117,370)	(117,370)	(117,370)
Installment obligations issued	900,000	900,000	-	900,000	-
Total other financing sources (uses)	\$ 900,000	\$ 1,009,005	\$ (117,370)	\$ 891,635	\$ (8,365)
Net change in fund balance	\$ -	\$ 117,370	\$ (117,370)	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Capital and Infrastructure Fund Courthouse Fund
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Project to Date	Variance with Final Budget Positive (Negative)
REVENUES					
Restricted intergovernmental	\$ 2,000,000	\$ -	\$ 3,180	\$ 3,180	\$ (1,996,820)
Total revenues	\$ 2,000,000	\$ -	\$ 3,180	\$ 3,180	\$ (1,996,820)
EXPENDITURES					
Capital outlay	\$ 2,000,000	\$ -	\$ 3,180	\$ 3,180	\$ 1,996,820
Total expenditures	\$ 2,000,000	\$ -	\$ 3,180	\$ 3,180	\$ 1,996,820
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Cash and cash equivalents	\$ 710,958	\$ 1,391,955	\$ 2,102,913
Receivables (net of allowance for uncollectibles):			
Taxes receivable	18,396	-	18,396
Accounts receivable	196,859	-	196,859
Restricted assets:			
Cash and cash equivalents	52,083	-	52,083
Total assets	<u>\$ 978,296</u>	<u>\$ 1,391,955</u>	<u>\$ 2,370,251</u>
LIABILITIES			
Accounts payable	\$ 26,018	\$ 63,406	\$ 89,424
Accrued salaries	2,195	-	2,195
Due to other funds	95,573	-	95,573
Unearned revenue	192,629	136,594	329,223
Total liabilities	<u>\$ 316,415</u>	<u>\$ 200,000</u>	<u>\$ 516,415</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - ad valorem taxes receivable	<u>\$ 18,396</u>	<u>\$ -</u>	<u>\$ 18,396</u>
FUND BALANCES			
Restricted:			
Stabilization by State Statute	\$ 196,859	\$ -	\$ 196,859
Emergency Telephone System	195,916	-	195,916
Other	52,083	-	52,083
Recreation	-	98,364	98,364
Assigned	294,200	1,093,591	1,387,791
Unassigned	(95,573)	-	(95,573)
Total fund balances	<u>\$ 643,485</u>	<u>\$ 1,191,955</u>	<u>\$ 1,835,440</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 978,296</u>	<u>\$ 1,391,955</u>	<u>\$ 2,370,251</u>

Alleghany County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds	Capital Project Funds	Total
REVENUES			
Ad valorem taxes	\$ 877,477	\$ -	\$ 877,477
Other taxes	299,314	-	299,314
Restricted intergovernmental	2,063,753	63,406	2,127,159
Permits and fees	19,143	-	19,143
Service and fees	41,900	-	41,900
Miscellaneous	97,709	-	97,709
Total revenues	<u>\$ 3,399,296</u>	<u>\$ 63,406</u>	<u>\$ 3,462,702</u>
EXPENDITURES			
General government administration	\$ 442,338	\$ -	\$ 442,338
Public safety	1,513,286	-	1,513,286
Economic and physical development	15,523	-	15,523
Human services	859,466	-	859,466
Cultural and recreational	2,501	9,700	12,201
Capital outlay	47,399	453,079	500,478
Total expenditures	<u>\$ 2,880,513</u>	<u>\$ 462,779</u>	<u>\$ 3,343,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 518,783</u>	<u>\$ (399,373)</u>	<u>\$ 119,410</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 772,338	\$ 825,495	\$ 1,597,833
Transfers out	(1,335,388)	-	(1,335,388)
Total other financing sources (uses)	<u>\$ (563,050)</u>	<u>\$ 825,495</u>	<u>\$ 262,445</u>
Net change in fund balances	\$ (44,267)	\$ 426,122	\$ 381,855
Fund balances - beginning	687,752	765,833	1,453,585
Fund balances - ending	<u>\$ 643,485</u>	<u>\$ 1,191,955</u>	<u>\$ 1,835,440</u>

Allegheny County, North Carolina
Combining Balance Sheet
Normal Special Revenue Funds
June 30, 2022

	Transportation Fund	Fairgrounds Fund	Drug Fund	Emergency Telephone System Fund	Soil and Water Fund	Representative Payee Fund	Earthquake Fund	Deed of Trust Fund	Fire Tax Fund	Fines and Forfeitures Fund	Opoid Settlement Fund	DPS Law Enforcement Grant Fund	ARPA Fund	Total
ASSETS														
Cash and cash equivalents	\$ 170,221	\$ 15,582	\$ -	\$ 195,916	\$ 83	\$ 29,825	\$ 164,942	\$ 18,173	\$ -	\$ -	\$ 36,889	\$ 79,327	\$ -	\$ 710,958
Receivables (net of allowance for uncollectibles):														
Taxes receivable	-	-	-	-	-	-	-	-	18,396	-	-	-	-	18,396
Accounts receivable	179,541	-	-	17,318	-	-	-	-	-	-	-	-	-	196,859
Restricted assets:														
Cash and cash equivalents	-	-	52,083	-	-	-	-	-	-	-	-	-	-	52,083
Total assets	\$ 349,762	\$ 15,582	\$ 52,083	\$ 213,234	\$ 83	\$ 29,825	\$ 164,942	\$ 18,173	\$ 18,396	\$ -	\$ 36,889	\$ 79,327	\$ -	\$ 978,296
LIABILITIES														
Accounts payable	\$ 568	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ 18,173	\$ -	\$ -	\$ -	\$ 7,192	\$ -	\$ 26,018
Accrued salaries	2,195	-	-	-	-	-	-	-	-	-	-	-	-	2,195
Due to other funds	-	-	-	-	-	-	-	-	95,573	-	-	-	-	95,573
Unearned revenue	-	-	-	-	-	-	83,605	-	-	-	36,889	72,135	-	192,629
Total liabilities	\$ 2,763	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ 83,657	\$ 18,173	\$ 95,573	\$ -	\$ 36,889	\$ 79,327	\$ -	\$ 316,415
DEFERRED INFLOWS OF RESOURCES														
Unavailable revenue - ad valorem taxes receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,396	\$ -	\$ -	\$ -	\$ -	\$ 18,396
FUND BALANCES														
Restricted:														
Stabilization by State Statute	\$ 179,541	\$ -	\$ -	\$ 17,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,859
Emergency Telephone System	-	-	-	195,916	-	-	-	-	-	-	-	-	-	195,916
Other	-	-	52,083	-	-	-	-	-	-	-	-	-	-	52,083
Assigned	167,458	15,549	-	-	83	29,825	81,285	-	-	-	-	-	-	294,200
Unassigned	-	-	-	-	-	-	-	-	(95,573)	-	-	-	-	(95,573)
Total fund balances	\$ 346,999	\$ 15,549	\$ 52,083	\$ 213,234	\$ 83	\$ 29,825	\$ 81,285	\$ -	\$ (95,573)	\$ -	\$ -	\$ -	\$ -	\$ 643,485
Total liabilities and fund balances	\$ 349,762	\$ 15,582	\$ 52,083	\$ 213,234	\$ 83	\$ 29,825	\$ 164,942	\$ 18,173	\$ 18,396	\$ -	\$ 36,889	\$ 79,327	\$ -	\$ 978,296

Allegheny County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	Transportation Fund	Fairgrounds Fund	Drug Fund	Emergency Telephone System Fund	Soil and Water Fund	Representative Payee Fund	Earthquake Fund	Deed of Trust Fund	Fire Tax Fund	Fines and Forfeitures Fund	Opioid Settlement Fund	Law Enforcement Grant Fund	ARPA Fund	Total
REVENUES														
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877,477	\$ -	\$ -	\$ -	\$ -	\$ 877,477
Other taxes	-	-	-	-	-	-	-	299,314	-	-	-	-	-	299,314
Restricted intergovernmental	389,582	-	601	207,820	-	105,416	266,583	-	-	-	-	12,135	1,081,616	2,063,753
Permits and fees	-	-	-	-	-	-	-	19,143	-	-	-	-	-	19,143
Service and fees	-	19,830	-	-	-	-	-	-	-	22,070	-	-	-	41,900
Miscellaneous	96,911	-	798	-	-	-	-	-	-	-	-	-	-	97,709
Total revenues	\$ 486,493	\$ 19,830	\$ 1,399	\$ 207,820	\$ -	\$ 105,416	\$ 266,583	\$ 318,457	\$ 877,477	\$ 22,070	\$ -	\$ 12,135	\$ 1,081,616	\$ 3,399,296
EXPENDITURES														
General government administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,908	165,035	\$ -	\$ 22,070	\$ -	\$ -	\$ 52,325	\$ 442,338
Public safety	-	-	24,569	144,703	-	-	-	-	1,135,183	-	-	12,135	196,696	1,513,286
Economic and physical development	-	10,002	-	-	-	-	-	-	-	-	-	-	5,521	15,523
Human services	381,290	-	-	-	-	113,635	-	-	-	-	-	-	364,541	859,466
Cultural and recreational	-	-	-	-	-	-	-	-	-	-	-	-	2,501	2,501
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	47,399	47,399
Total expenditures	\$ 381,290	\$ 10,002	\$ 24,569	\$ 144,703	\$ -	\$ 113,635	\$ 202,908	\$ 165,035	\$ 1,135,183	\$ 22,070	\$ -	\$ 12,135	\$ 668,983	\$ 2,880,513
Excess (deficiency) of revenues over (under) expenditures	\$ 105,203	\$ 9,828	\$ (23,170)	\$ 63,117	\$ -	\$ (8,219)	\$ 63,675	\$ 153,422	\$ (257,706)	\$ -	\$ -	\$ -	\$ 412,633	\$ 518,783
OTHER FINANCING SOURCES (USES)														
Transfers in	\$ -	\$ -	\$ -	\$ 46,125	\$ -	\$ -	\$ 57,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 668,983	\$ 772,338
Transfers out	-	-	-	-	-	-	(100,350)	(153,422)	-	-	-	-	(1,081,616)	(1,335,388)
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 46,125	\$ -	\$ -	\$ (43,120)	\$ (153,422)	\$ -	\$ -	\$ -	\$ -	\$ (412,633)	\$ (563,050)
Net change in fund balances	\$ 105,203	\$ 9,828	\$ (23,170)	\$ 109,242	\$ -	\$ (8,219)	\$ 20,555	\$ -	\$ (257,706)	\$ -	\$ -	\$ -	\$ -	\$ (44,267)
Fund balances - beginning	241,796	5,721	75,253	103,992	83	38,044	60,730	-	162,133	-	-	-	-	687,752
Fund balances - ending	\$ 346,999	\$ 15,549	\$ 52,083	\$ 213,234	\$ 83	\$ 29,825	\$ 81,285	\$ -	\$ (95,573)	\$ -	\$ -	\$ -	\$ -	\$ 643,485

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 212,507	\$ 514,432	\$ 389,582	\$ (124,850)
Miscellaneous	129,000	129,000	96,911	(32,089)
Total revenues	\$ 341,507	\$ 643,432	\$ 486,493	\$ (156,939)
EXPENDITURES				
Human services	\$ 426,804	\$ 745,431	\$ 381,290	\$ 364,141
Total expenditures	\$ 426,804	\$ 745,431	\$ 381,290	\$ 364,141
Excess (deficiency) of revenues over (under) expenditures	\$ (85,297)	\$ (101,999)	\$ 105,203	\$ 207,202
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Appropriated fund balance	82,797	99,499	-	(99,499)
Total other financing sources (uses)	\$ 85,297	\$ 101,999	\$ -	\$ (101,999)
Net change in fund balance	\$ -	\$ -	\$ 105,203	\$ 105,203
Fund balance - beginning			241,796	
Fund balance - ending			\$ 346,999	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fairgrounds Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service and fees	\$ 8,099	\$ 8,099	\$ 19,830	\$ 11,731
Total revenues	\$ 8,099	\$ 8,099	\$ 19,830	\$ 11,731
EXPENDITURES				
Economic and physical development	\$ 17,580	\$ 17,580	\$ 10,002	\$ 7,578
Total expenditures	\$ 17,580	\$ 17,580	\$ 10,002	\$ 7,578
Excess (deficiency) of revenues over (under) expenditures	\$ (9,481)	\$ (9,481)	\$ 9,828	\$ 19,309
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	\$ 9,481	\$ 9,481	\$ -	\$ (9,481)
Total other financing sources (uses)	\$ 9,481	\$ 9,481	\$ -	\$ (9,481)
Net change in fund balance	\$ -	\$ -	\$ 9,828	\$ 9,828
Fund balance - beginning			5,721	
Fund balance - ending			\$ 15,549	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Drug Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ -	\$ -	\$ 601	\$ 601
Miscellaneous	20	20	798	778
Total revenues	\$ 20	\$ 20	\$ 1,399	\$ 1,379
EXPENDITURES				
Public safety	\$ 17,492	\$ 75,273	\$ 24,569	\$ 50,704
Total expenditures	\$ 17,492	\$ 75,273	\$ 24,569	\$ 50,704
Excess (deficiency) of revenues over (under) expenditures	\$ (17,472)	\$ (75,253)	\$ (23,170)	\$ 52,083
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	\$ 17,472	\$ 75,253	\$ -	\$ (75,253)
Total other financing sources (uses)	\$ 17,472	\$ 75,253	\$ -	\$ (75,253)
Net change in fund balance	\$ -	\$ -	\$ (23,170)	\$ (23,170)
Fund balance - beginning			75,253	
Fund balance - ending			\$ 52,083	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Emergency Telephone System Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 213,388	\$ 213,388	\$ 207,820	\$ (5,568)
Total revenues	\$ 213,388	\$ 213,388	\$ 207,820	\$ (5,568)
EXPENDITURES				
Public safety				
Telephone	\$ 68,945	\$ 68,945	\$ 62,858	\$ 6,087
Software and software maintenance	144,443	144,443	81,845	62,598
Total public safety	\$ 213,388	\$ 213,388	\$ 144,703	\$ 68,685
Total expenditures	\$ 213,388	\$ 213,388	\$ 144,703	\$ 68,685
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 63,117	\$ 63,117
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 46,125	\$ 46,125
Total other financing sources (uses)	\$ -	\$ -	\$ 46,125	\$ 46,125
Net change in fund balance	\$ -	\$ -	\$ 109,242	\$ 109,242
Fund balance - beginning			103,992	
Fund balance - ending			\$ 213,234	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Soil and Water Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	83	83
Fund balance - ending	\$ -	\$ -	\$ 83	\$ 83

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Representative Payee Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ -	\$ -	\$ 105,416	\$ 105,416
Total revenues	\$ -	\$ -	\$ 105,416	\$ 105,416
EXPENDITURES				
Human services	\$ -	\$ -	\$ 113,635	\$ (113,635)
Total expenditures	\$ -	\$ -	\$ 113,635	\$ (113,635)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (8,219)	\$ (8,219)
Net change in fund balance	\$ -	\$ -	\$ (8,219)	\$ (8,219)
Fund balance - beginning	-	-	38,044	38,044
Fund balance - ending	\$ -	\$ -	\$ 29,825	\$ 29,825

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CARES Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total revenues	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
EXPENDITURES				
Public safety	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Total expenditures	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Earthquake Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 50,000	\$ 107,301	\$ 266,583	\$ 159,282
Total revenues	\$ 50,000	\$ 107,301	\$ 266,583	\$ 159,282
EXPENDITURES				
General government administration	\$ 50,000	\$ 107,301	\$ 202,908	\$ (95,607)
Total expenditures	\$ 50,000	\$ 107,301	\$ 202,908	\$ (95,607)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 63,675	\$ 63,675
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 57,230	\$ 57,230
Transfers out	-	-	(100,350)	(100,350)
Total other financing sources (uses)	\$ -	\$ -	\$ (43,120)	\$ (43,120)
Net change in fund balance	\$ -	\$ -	\$ 20,555	\$ 20,555
Fund balance - beginning	-	-	60,730	60,730
Fund balance - ending	\$ -	\$ -	\$ 81,285	\$ 81,285

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Deed of Trust Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other taxes	\$ -	\$ 35,000	\$ 299,314	\$ 264,314
Permits and fees	-	11,615	19,143	7,528
Total revenues	\$ -	\$ 46,615	\$ 318,457	\$ 271,842
EXPENDITURES				
General government administration	\$ -	\$ 46,615	\$ 165,035	\$ (118,420)
Total expenditures	\$ -	\$ 46,615	\$ 165,035	\$ (118,420)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 153,422	\$ 153,422
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (153,422)	\$ (153,422)
Total other financing sources (uses)	\$ -	\$ -	\$ (153,422)	\$ (153,422)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fire Tax Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 794,732	\$ 1,135,183	\$ 877,477	(257,706)
Total revenues	\$ 794,732	\$ 1,135,183	\$ 877,477	\$ (257,706)
EXPENDITURES				
Public safety	\$ 794,732	\$ 1,135,183	\$ 1,135,183	\$ -
Total expenditures	\$ 794,732	\$ 1,135,183	\$ 1,135,183	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (257,706)	\$ (257,706)
Net change in fund balance	\$ -	\$ -	\$ (257,706)	\$ (257,706)
Fund balance - beginning	-	-	162,133	162,133
Fund balance - ending	\$ -	\$ -	\$ (95,573)	\$ (95,573)

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fine and Forfeitures Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service and fees	\$ -	\$ 30,000	\$ 22,070	\$ (7,930)
Total revenues	\$ -	\$ 30,000	\$ 22,070	\$ (7,930)
EXPENDITURES				
General government administration	\$ -	\$ 30,000	\$ 22,070	\$ 7,930
Total expenditures	\$ -	\$ 30,000	\$ 22,070	\$ 7,930
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Opioid Settlement Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DPS Law Enforcement Grant Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ -	\$ 84,270	\$ 12,135	\$ (72,135)
Total revenues	\$ -	\$ 84,270	\$ 12,135	\$ (72,135)
EXPENDITURES				
Public safety	\$ -	\$ 84,270	\$ 12,135	\$ 72,135
Total expenditures	\$ -	\$ 84,270	\$ 12,135	\$ 72,135
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
ARPA Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 1,081,616	\$ 1,081,616	\$ 1,081,616	\$ -
Total revenues	\$ 1,081,616	\$ 1,081,616	\$ 1,081,616	\$ -
EXPENDITURES				
General government administration	\$ -	\$ 52,325	\$ 52,325	\$ -
Public safety	1,081,616	380,695	196,696	183,999
Economic and physical development	-	5,521	5,521	-
Human services	-	364,541	364,541	-
Cultural and recreational	-	2,501	2,501	-
Capital outlay	-	276,033	47,399	228,634
Total expenditures	\$ 1,081,616	\$ 1,081,616	\$ 668,983	\$ 412,633
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 412,633	\$ 412,633
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	668,983	\$ 668,983
Transfers out	-	-	(1,081,616)	\$ (1,081,616)
Total other financing sources (uses)	\$ -	\$ -	\$ (412,633)	\$ (412,633)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2022

	School Capital Project Fund	Outdoor Recreation Capital Project Fund	State Capital and Infrastructure Fund Capital Project Fund	Total
ASSETS				
Cash and cash equivalents	\$ 1,093,591	\$ 98,364	\$ 200,000	\$ 1,391,955
Total assets	<u>\$ 1,093,591</u>	<u>\$ 98,364</u>	<u>\$ 200,000</u>	<u>\$ 1,391,955</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 63,406	\$ 63,406
Unearned revenue	-	-	136,594	136,594
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
FUND BALANCES				
Restricted:				
Recreation	\$ -	\$ 98,364	\$ -	\$ 98,364
Assigned	1,093,591	-	-	1,093,591
Total fund balances	<u>\$ 1,093,591</u>	<u>\$ 98,364</u>	<u>\$ -</u>	<u>\$ 1,191,955</u>
Total liabilities and fund balances	<u>\$ 1,093,591</u>	<u>\$ 98,364</u>	<u>\$ 200,000</u>	<u>\$ 1,391,955</u>

Alleghany County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended June 30, 2022

	School Capital Project Fund	Outdoor Recreation Capital Project Fund	State Capital and Infrastructure Fund Capital Project Fund	Total
REVENUES				
Restricted intergovernmental	\$ -	\$ -	\$ 63,406	\$ 63,406
Total revenues	\$ -	\$ -	\$ 63,406	\$ 63,406
EXPENDITURES				
Cultural and recreational	\$ -	\$ 9,700	\$ -	\$ 9,700
Capital outlay	389,673	-	63,406	453,079
Total expenditures	\$ 389,673	\$ 9,700	\$ 63,406	\$ 462,779
Excess (deficiency) of revenues over (under) expenditures	\$ (389,673)	\$ (9,700)	\$ -	\$ (399,373)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 825,495	\$ -	\$ -	\$ 825,495
Total other financing sources (uses)	\$ 825,495	\$ -	\$ -	\$ 825,495
Net change in fund balances	\$ 435,822	\$ (9,700)	\$ -	\$ 426,122
Fund balances - beginning	657,769	108,064	-	765,833
Fund balances - ending	\$ 1,093,591	\$ 98,364	\$ -	\$ 1,191,955

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
School Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenues	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
EXPENDITURES				
Capital outlay				
Education	\$ 807,445	\$ 807,445	\$ 389,673	\$ 417,772
Total expenditures	\$ 807,445	\$ 807,445	\$ 389,673	\$ 417,772
Excess (deficiency) of revenues over (under) expenditures	\$ (806,445)	\$ (806,445)	\$ (389,673)	\$ 416,772
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 517,714	\$ 517,714	\$ 825,495	\$ 307,781
Appropriated fund balance	288,731	288,731	-	(288,731)
Total other financing sources (uses)	\$ 806,445	\$ 806,445	\$ 825,495	\$ 19,050
Net change in fund balance	\$ -	\$ -	\$ 435,822	\$ 435,822
Fund balance - beginning			657,769	
Fund balance - ending			\$ 1,093,591	

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Outdoor Recreation Capital Project Fund
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Project to Date	Variance with Final Budget Positive (Negative)
EXPENDITURES					
Cultural and recreational	\$ 143,903	\$ 35,839	\$ 9,700	\$ 45,539	\$ 98,364
Total expenditures	\$ 143,903	\$ 35,839	\$ 9,700	\$ 45,539	\$ 98,364
Excess (deficiency) of revenues over (under) expenditures	\$ (143,903)	\$ (35,839)	\$ (9,700)	\$ (45,539)	\$ 98,364
OTHER FINANCING SOURCES (USES)					
Appropriated fund balance	\$ 143,903	\$ 143,903	\$ -	\$ 143,903	\$ -
Total other financing sources (uses)	\$ 143,903	\$ 143,903	\$ -	\$ 143,903	\$ -
Net change in fund balance	\$ -	\$ 108,064	\$ (9,700)	\$ 98,364	\$ 98,364

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Capital and Infrastructure Fund Capital Project Fund
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Project to Date	Variance with Final Budget Positive (Negative)
REVENUES					
Restricted intergovernmental	\$ 200,000	\$ -	\$ 63,406	\$ 63,406	\$ (136,594)
Total revenues	\$ 200,000	\$ -	\$ 63,406	\$ 63,406	\$ (136,594)
EXPENDITURES					
Capital outlay	\$ 200,000	\$ -	\$ 63,406	\$ 63,406	\$ 136,594
Total expenditures	\$ 200,000	\$ -	\$ 63,406	\$ 63,406	\$ 136,594
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
Landfill Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Operating revenues				
Charges for services:				
Solid waste charges	\$ 1,126,438	\$ 1,196,727	\$ 1,207,089	\$ 10,362
Restricted intergovernmental:				
Federal and state grants	30,000	30,000	30,000	-
Total operating revenues	\$ 1,156,438	\$ 1,226,727	\$ 1,237,089	\$ 10,362
Total revenues	\$ 1,156,438	\$ 1,226,727	\$ 1,237,089	\$ 10,362
EXPENDITURES				
Landfill operations				
Salaries and employee benefits	\$ 192,127	\$ 192,223	\$ 198,029	\$ (5,806)
Disposal costs	616,613	789,202	653,732	135,470
Maintenance services	28,600	17,305	16,029	1,276
Capital outlay	118,660	119,181	78,184	40,997
Debt service	159,000	107,378	22,471	84,907
Principal	40,196	40,196	-	40,196
Interest	1,242	1,242	3,248	(2,006)
Total expenditures	\$ 1,156,438	\$ 1,266,727	\$ 971,693	\$ 295,034
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (40,000)	\$ 265,396	\$ 305,396
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 70,288	\$ (70,288)
Appropriated fund balance	-	40,000	-	40,000
Total other financing sources (uses)	\$ -	\$ 40,000	\$ 70,288	\$ (30,288)
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ -	\$ 335,684	\$ 335,684
Reconciliation from Budgetary Basis (Modified Accrual to Full Accrual):				
Revenues and other financing sources over expenditures			\$ 335,684	
Reconciling items:				
Depreciation			(105,271)	
(Increase) decrease in compensated absences			(723)	
Pension expense			77,863	
OPEB expense			229,438	
Change in net position			\$ 536,991	

Alleghany County, North Carolina
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds			
	Jail Inmate Fund	Town of Sparta Tax Fund	Library Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ 1,111	\$ -	\$ 39	\$ 1,150
Total assets	\$ 1,111	\$ -	\$ 39	\$ 1,150
NET POSITION				
Restricted:				
Benefit of the inmates	\$ 1,111	\$ -	\$ -	\$ 1,111
Held in trust	-	-	39	39
Total net position	\$ 1,111	\$ -	\$ 39	\$ 1,150

Alleghany County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds			
	Jail Inmate Fund	Town of Sparta Tax Fund	Library Trust Fund	Total
ADDITIONS				
Inmate deposits	\$ 41,664	\$ -	\$ -	\$ 41,664
Ad valorem taxes	-	510,374	-	510,374
Donations	-	-	7,064	7,064
Total additions	\$ 41,664	\$ 510,374	\$ 7,064	\$ 559,102
DEDUCTIONS				
Canteen sales	\$ 30,844	\$ -	\$ -	\$ 30,844
Inmate refunds	12,334	-	-	12,334
Payments to Town of Sparta	-	510,374	-	510,374
Library memorial book fund	-	-	36,183	36,183
Total deductions	\$ 43,178	\$ 510,374	\$ 36,183	\$ 589,735
Change in net position	\$ (1,514)	\$ -	\$ (29,119)	\$ (30,633)
Net position - beginning	2,625	-	29,158	31,783
Net position - ending	\$ 1,111	\$ -	\$ 39	\$ 1,150

Alleghany County, North Carolina
Schedule of Ad Valorem Taxes Receivable
General Fund
For the Year Ended June 30, 2022

Fiscal Year	Balance June 30, 2021	Additions	Collections and Credits	Balance June 30, 2022
2021-2022	\$ -	\$ 11,645,822	\$ 11,456,885	\$ 188,937
2020-2021	153,997	-	115,574	38,423
2019-2020	42,572	-	30,358	12,214
2018-2019	16,602	-	8,318	8,284
2017-2018	8,992	-	3,660	5,332
2016-2017	3,392	-	2,517	875
2015-2016	1,965	-	717	1,248
2014-2015	1,664	-	974	690
2013-2014	2,265	-	883	1,382
2012-2013	9,418	-	1,371	8,047
2011-2012	1,334	-	1,334	-
Total	<u>\$ 242,201</u>	<u>\$ 11,645,822</u>	<u>\$ 11,622,591</u>	<u>\$ 265,432</u>
Less: Allowance for Uncollectible Accounts-General Fund				(26,635)
Ad valorem taxes receivable, net-General Fund				<u>\$ 238,797</u>
Reconciliation with Revenues:				
Ad valorem taxes-General Fund				\$ 11,681,536
Reconciling items:				
Interest and penalties collected				(60,130)
Other adjustments				11
Taxes written off				1,174
Total reconciling items				<u>\$ (58,945)</u>
Total collections and credits				<u>\$ 11,622,591</u>

Alleghany County, North Carolina
 Analysis of Current Tax Levy
 General Fund
 For the Year Ended June 30, 2022

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy					
Property taxed at current year's rate	\$ 1,917,352,094	0.5970	\$ 11,446,592	\$ 10,514,728	\$ 931,864
Discoveries					
Current year taxes	\$ 59,680,067	0.5970	\$ 356,290	\$ 356,290	\$ -
Abatements	<u>(26,308,208)</u>	0.5970	<u>(157,060)</u>	<u>(157,060)</u>	<u>-</u>
Total property valuation	\$ 1,950,723,953				
Net Levy			\$ 11,645,822	\$ 10,713,958	\$ 931,864
Uncollected taxes at June 30, 2022			<u>188,937</u>	<u>188,937</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 11,456,885</u>	<u>\$ 10,525,021</u>	<u>\$ 931,864</u>
Current Levy Collection Percentage			<u>98.38%</u>	<u>98.24%</u>	<u>100.00%</u>

Alleghany County, North Carolina
 Balance Sheet
 Tourism Development Authority
 (A Component Unit of Alleghany County, North Carolina)
 June 30, 2022

	Tourism Development Authority
ASSETS	
Cash and cash equivalents	\$ 222,631
Accounts receivable	24,835
Total assets	<u>\$ 247,466</u>
LIABILITIES	
Accounts payable	\$ 5,701
Total liabilities	<u>\$ 5,701</u>
FUND BALANCE	
Unassigned	\$ 241,765
Total fund balance	<u>\$ 241,765</u>

The Tourism Development Authority's fund balance and net position are the same.

Alleghany County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Tourism Development Authority
(A Component Unit of Alleghany County, North Carolina)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Occupancy tax	\$ 80,000	\$ 88,500	\$ 193,538	\$ 105,038
Miscellaneous	37,200	37,200	-	(37,200)
Total revenues	\$ 117,200	\$ 125,700	\$ 193,538	\$ 67,838
EXPENDITURES				
Economic and physical development				
Tourism development	\$ 168,561	\$ 182,061	\$ 125,664	\$ 56,397
Total economic and physical development	\$ 168,561	\$ 182,061	\$ 125,664	\$ 56,397
Total expenditures	\$ 168,561	\$ 182,061	\$ 125,664	\$ 56,397
Excess (deficiency) of revenues over (under) expenditures	\$ (51,361)	\$ (56,361)	\$ 67,874	\$ 124,235
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	\$ 51,361	\$ 56,361	\$ -	\$ (56,361)
Total other financing sources (uses)	\$ 51,361	\$ 56,361	\$ -	\$ (56,361)
Net change in fund balance	\$ -	\$ -	\$ 67,874	\$ 67,874

The Tourism Development Authority's fund balance and net position are the same.

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' 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***

**The Board of Commissioners
Alleghany County
Sparta, North Carolina**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alleghany County, North Carolina as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Alleghany County, North Carolina's basic financial statements and have issued our report thereon dated November 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alleghany County, North Carolina's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alleghany County, North Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Alleghany County, North Carolina's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies as items 2022-001, 2022-002, and 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alleghany County, North Carolina'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Alleghany County, North Carolina's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Alleghany County, North Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned. Alleghany County, North Carolina's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Blacksburg, Virginia
November 15, 2022



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control
over Compliance Required by the Uniform Guidance and State Single Audit Implementation Act**

The Board of Commissioners
Alleghany County
Sparta, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Alleghany County, North Carolina's 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 Alleghany County, North Carolina's major federal programs for the year ended June 30, 2022. Alleghany County, North Carolina's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Alleghany County, North Carolina 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, 2022.

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.² Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Alleghany County, North Carolina 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 the Alleghany County, North Carolina'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 for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Alleghany County, North Carolina federal programs.

Auditors' 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 Alleghany County, North Carolina'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 generally accepted auditing standards, *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 Alleghany County, North Carolina's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Alleghany County, North Carolina'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 Alleghany County, North Carolina'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 Alleghany County, North Carolina'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 a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditors' Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. 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 were not 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.

Robinson, Famer, Cox Associates

Blacksburg, Virginia
November 15, 2022



**Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control
over Compliance Required by the Uniform Guidance and State Single Audit Implementation Act**

The Board of Commissioners
Alleghany County
Sparta, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Alleghany County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Alleghany County, North Carolina's major state programs for the year ended June 30, 2022. Alleghany County, North Carolina's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Alleghany County, North Carolina 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, 2022.

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.² Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Alleghany County, North Carolina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Alleghany County, North Carolina'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 for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Alleghany County, North Carolina State programs.

Auditors' 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 Alleghany County, North Carolina'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 generally accepted auditing standards, *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 Alleghany County, North Carolina's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Alleghany County, North Carolina'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 Alleghany County, North Carolina'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 Alleghany County, North Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

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Report on Internal Control Over Compliance

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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.

Robinson, James, Cox Associates

Blacksburg, Virginia

November 15, 2022

Alleghany County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	State/Pass-through Grantor's Number		Federal (Direct & Pass-through) Expenditures	State Expenditures
Department Health and Human Services:					
Pass Through Payments:					
North Carolina Division of Social Services:					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Not available		\$ 9,893	\$ -
Temporary Assistance for Needy Families					
Administration	93.558	2101NCTANF	\$ 3,365		
Work First Service	93.558	2101NCTANF	110,707	114,072	
Child Support Enforcement	93.563	2104NC4005		120,094	-
Refugee and Entrant Assistance State/Replacement Designee					
Administered Programs	93.566	Not available		1,803	-
Low-Income Home Energy Assistance					
Administration	93.568	G21B1NCLIEA	\$ 258,676		
Crisis Intervention Program	93.568	G21B1NCLIEA	47,403	306,079	-
Child Care and Development Fund Cluster:					
Child Care Mandatory and Matching Funds of the Child Care and					
Development Fund	93.596	G2001NCCCDF		83,625	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2101NCPERP		223	-
Foster Care - Title IV-E					
Administration	93.658	21021NCFOST	\$ 142,610		5,995
Direct Benefit Payments	93.658	21021NCFOST	117,891	260,501	32,905
Adoption Assistance	93.659	2101NCADPT		943	
Social Services Block Grant	93.667	G2101NCSOSR		100,443	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not available		36	-
Children's Health Insurance Program	93.767	Not available		9,798	483
Medicaid Cluster:					
Medical Assistance Program	93.778	XIX-MAP20		455,866	-
Total Department of Health and Human Services				\$ 1,463,376	\$ 39,383
Department of Agriculture:					
Pass Through Payments:					
North Carolina Division of Social Services:					
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition					
Assistance Program	10.561	215NC406S2514		\$ 164,258	\$ -
Total Department of Agriculture				\$ 164,258	\$ -
Department of Justice:					
Pass Through Payments:					
North Carolina Department of Public Safety - Gov. Crime Commission:					
Violence Against Women Formula Grants	16.588	15JOVW-21-GG-00533-STOP		\$ 59,580	\$ -
Crime Victim Assistance	16.575	2020-V2-GX-0057		136,349	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00278-JAGX		24,500	-
Total Department of Justice				\$ 220,429	\$ -
Department of Transportation:					
Pass Through Payments:					
North Carolina Department of Transportation:					
Formula Grants for Rural Areas and Tribal Transit Program					
Administration	20.509	36233.4.22.1	\$ 88,222	\$ 5,473	
Capital	20.509	51081.23.2.3	104,852	13,105	\$ 18,578
COVID-19 Administration	20.509	49233.3.1.2	151,607	\$ 344,681	-
Transit Services Program Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.13.9.2		9,998	-
Total Department of Transportation				\$ 354,679	\$ 18,578
Department of Homeland Security:					
Pass Through Payments:					
North Carolina Department of Public Safety:					
Emergency Management Performance Grants	97.042	EMA-2021-EP-00015	\$ 51,981		\$ -
COVID-19 Emergency Management Performance Grants	97.042	EMA-2021-EP-00014	11,068	\$ 63,049	
Total Department of Homeland Security				\$ 63,049	\$ -
Department of Treasury:					
Direct:					
North Carolina Office of State Budget and Management:					
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	Not applicable		\$ 1,081,616	\$ -
Total Department of Treasury				\$ 1,081,616	\$ -

Alleghany County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	State/Pass-through Grantor's Number	Federal Direct & Pass-through Expenditures	State Expenditures
N.C. Department of Health and Human Services				
Administration				
Child Welfare/CPS/CS			\$ -	\$ 76,328
Direct Benefit Payments				
State Foster Home			-	65,680
Total N.C. Department of Health and Human Services			\$ -	\$ 142,008
N.C. Department of Environmental Quality				
S&W Conservation - Wetland Cost Share			\$ -	\$ 25,837
Community Waste Reduction and Recycling Program			-	30,000
Total N.C. Department of Environmental Quality			\$ -	\$ 55,837
N.C. Department of Public Safety				
Juvenile Crime Prevention Programs			\$ -	\$ 107,520
N.C. State Recovery Fund			-	12,135
Total N.C. Department of Public Safety			\$ -	\$ 119,655
N.C. Office of State Budget and Management				
N.C. Earthquake Recovery			\$ -	\$ 266,583
N.C. Register of Deeds			-	66,586
N.C. State Capital Infrastructure Fund			-	2,000
Total N.C. Office of State Budget and Management			\$ -	\$ 335,169
N.C. Department of Transportation				
ROAP-Elderly and Disabled Transportation Assistance Program			\$ -	\$ 53,829
ROAP-Rural General Public Program			-	51,022
ROAP Work First Transitional-Employment			-	5,129
Total N.C. Office of State Budget and Management			\$ -	\$ 109,980
N.C. Department of Public Instruction				
Public School Building Capital Fund - Lottery Proceeds			\$ -	\$ 32,858
Total N.C. Department of Public Instruction			\$ -	\$ 32,858
Total Federal and State Awards			\$ 3,347,407	\$ 853,468

Notes to Schedule of Expenditures of Federal Awards

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of Alleghany County under programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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. Because the Schedule presents only a selected portion of the operations of Alleghany County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Alleghany County.

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule (SEFSA) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The County did not elect to use the 10 percent de minimis indirect cost rate because they only request direct costs for reimbursement.
- (4) The County did not have any loans or loan guarantees which are subject to reporting requirements for the year.

Note 3 -- Cluster of Program

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

Note 4 -- Subrecipients

Alleghany County did not have any subrecipients for 2022.

Alleghany County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

Notes to Schedule of Expenditures of Federal Awards (Continued)

Note 5 -- Relationship to the Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal and state revenues per the basic financial statements:

Primary government:

General Fund		
Federal Funding	\$ 1,999,294	
State Funding		\$ 355,079
Transportation Fund		
Federal Funding	266,497	
State Funding		123,085
ARPA Fund		
Federal Funding	1,081,616	
State Capital and Infrastructure Capital Project Fund		
State Funding		66,586
DPS Law Enforcement Grant Fund		
State Funding		12,135
Landfill Fund		
State Funding		30,000
Earthquake Fund		
State Funding		266,583
Total primary government	<u>\$ 3,347,407</u>	<u>\$ 853,468</u>

Alleghany County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Identification of major programs:	

Assistance Listing #	Name of Federal Program or Cluster
93.778	Medicaid Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

State Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	No
Identification of major programs:	

Program Name
State Capital Infrastructure Fund - Special Appropriation
Public School Building Capital Fund
N.C. Earthquake Recovery Fund

Alleghany County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

2022-001

Criteria: Per auditing standards, an auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of the financial statements in accordance with generally accepted accounting principles. Furthermore, reliance on the auditors to propose audit adjustments may not be a component of the auditee's internal controls.

Condition: The financial statements, as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, the auditor proposed adjustments that were material to the financial statements.

Cause: The County has had numerous changes in the financial reporting processes including staffing, funding, and accounting principles. These items resulted in the auditors proposing material adjustments.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the entity's internal controls over financial reporting.

Recommendation: The County should continue to improve monthly reconciliations and work to ensure financials as provided for audit are materially correct.

Management's Response: The County will continue to improve on the understanding and review of the financial information prior to providing same to the auditors for next year.

2022-002

Criteria: A key concept of internal controls is segregation of duties. No one employee should have access to both accounting records and related assets.

Condition: The County does not have proper segregation of duties regarding cash management.

Cause: The County Finance Officer has access to and enters the majority of transactions into the accounting system. Further, the Finance Officer receives the bank statement and reconciles same without review.

Alleghany County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings (Continued)

2022-002 (Continued)

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation: The County should implement a review process over the original bank statement and subsequent bank reconciliation.

Management's Response: Management will implement the recommended actions as soon as possible.

2022-003

Criteria: The County should have sufficient monitoring procedures to mitigate certain internal control risks. These procedures include providing accurate and timely monthly reports to the Board of Commissioners. A completed and reviewed bank reconciliation is a vital piece of ensuring the overall accuracy of information provided to the Board.

Condition: The Finance Office was not reconciling the bank statement in a timely manner which resulted in an unknown variance.

Cause: The Finance Office experienced turnover during a pandemic and got behind on reconciling the monthly bank statements. There was limited, if any, review of the bank reconciliations.

Effect: There is reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation: We recommend the County Manager receive directly and review the bank statement prior to the Finance Officer reconciling same. After timely reconciliation, we recommend the County Manager review the reconciliation as well.

Management's Response: Management will implement the recommended actions as soon as possible.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - State Award Findings and Questioned Costs

There are no state award findings and questioned costs to report.

ALLEGHANY COUNTY FINANCE/HR OFFICE

April Hamm, Finance Officer
Human Resource Officer

Robin Hamilton, Assistant Finance Officer

Dalila Orduna, Payroll and Accounting Specialist

Carrie Baker, Tax & Finance Support Specialist



Post Office Box 366
348 South Main Street, LL50 & LL60
Sparta, NC 28675
(336) 372-2826
or (336) 372-2946
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Corrective Action Plan For the Year Ended June 30, 2022

Contact Name: April Hamm, Finance Officer

Finding 2022-001

Material Audit Adjustments

Corrective Action: Staff will continue to improve on reconciling financial statements, plus understanding and review of all financial information.

Finding 2022-002

Segregation of Duties

Corrective Action: Segregated reviews from multiple staff members of bank statements, plus entering of transactions into the accounting system, will be added to internal controls.

Finding 2022-0003

Review of Bank Statements

Corrective Action: County Manager will receive and review bank statements before Finance Office begins reconciliation. County Manager will review after completion of bank reconciliation by Finance staff.

Completion Date: As soon as possible

ALLEGHANY COUNTY FINANCE/HR OFFICE

April Hamm, Finance Officer
Human Resource Officer

Robin Hamilton, Assistant Finance Officer

Dalila Orduna, Payroll and Accounting Specialist

Carrie Baker, Tax & Finance Support Specialist



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Summary Schedule of Prior Year's Audit Findings For the Year Ended June 30, 2022

Finding 2021-001

Condition: Material audit adjustments

Current Status: This finding has been repeated as a material weakness as current year finding 2022-001.

Finding 2021-002

Condition: Lacking segregation of duties

Current Status: This finding has been repeated as a material weakness as current year finding 2022-002.

Finding 2021-003

Condition: Lacking review of bank statements

Current Status: This finding has been repeated as a material weakness as current year finding 2022-003.