

**TRANSYLVANIA COUNTY
NORTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

**TRANSYLVANIA COUNTY
NORTH CAROLINA**

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Prepared by the Finance Department

**TRANSYLVANIA COUNTY
NORTH CAROLINA**

JUNE 30, 2024

BOARD OF COUNTY COMMISSIONERS

JASON CHAPPELL, CHAIR

JAKE DALTON, VICE CHAIR

LARRY CHAPMAN

TERESA MCCALL

CHASE MCKELVEY

PRINCIPAL OFFICIALS

COUNTY MANAGER

Jaime Laughter

FINANCE DIRECTOR

Meagan O'Neal

TRANSYLVANIA COUNTY, NORTH CAROLINA

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INTRODUCTORY SECTION

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BOARD OF COMMISSIONERS
Jason Chappell, Chair
Jake Dalton, Vice-Chairman
Larry Chapman
Teresa McCall
Chase McKelvey



COUNTY MANAGER
Jaime Laughter
828-884-3100
Fax 828-884-3119

101 South Broad Street
Brevard, NC 28712

September 24, 2025

To the Board of Commissioners and Citizens of Transylvania County, North Carolina:

The Annual Comprehensive Financial Report of Transylvania County for the fiscal year ended June 30, 2024, is hereby submitted. Laws of the State of North Carolina along with policies and procedures of the North Carolina Local Government Commission require that all local governments in the state publish a complete set of financial statements annually. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America.

The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. The firm has rendered an unmodified opinion, which appears at the beginning of the financial section of this report. The responsibility, however, for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Transylvania County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operation of the various activities and funds of the government. All disclosures necessary to enable the reader to gain an understanding of the government's financial transactions have been included.

The County is also required to undergo an annual single audit in conformity with generally accepted auditing standards; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and OMB Uniform Guidance, **Audits of States, Local Governments, and Non-Profit Organizations**, and the State Single Audit Implementation Act. Single audits focus not only on the fair presentation of financial statements but also on the County's internal controls and compliance with legal requirements, particularly in the administration of federal and State grants. Information related to this single audit, including the schedule of expenditures of federal and State awards, findings and questioned costs, and the auditor's reports on internal control and compliance with laws and regulations, is submitted in a separate document. It should be noted that there are, however, inherent limitations in internal controls. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

The Annual Comprehensive Financial Report covers all of the activities and funds of Transylvania County government. None of the other organizations with whom the County is affiliated meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF TRANSYLVANIA COUNTY

Transylvania County was established in 1861 under North Carolina General Statute 153A-10. Located in the southwestern portion of North Carolina, the county is 35 miles southwest of Asheville, North Carolina; 136 miles southeast of Knoxville, Tennessee; 60 miles north of Greenville, South Carolina; and 170 miles northeast of Atlanta, Georgia. Seventy-five percent of the United States' population lives within a day's drive of Transylvania County. The county has a land mass of 379.7 square miles, 46% of which is held in two state parks and two national forests. Elevations in the county range from 1,265 feet in the Horsepasture River Valley to 6,045 feet near the Blue Ridge Parkway.

According to the NC Office of State Budget and Management, the certified population estimate for Transylvania County as of June 30, 2024, was 34,103. There are two municipalities within the county: the City of Brevard, which lies near the center of the county and serves as its seat, and the Town of Rosman. The county has a commissioner/manager form of government. The five members of the Board of Commissioners are elected from the county at large on a partisan basis for four-year staggered terms. Commissioners hold policy-making and legislative authority and are responsible for adopting the annual budget ordinance. In addition to electing the Chairman each year, the Commissioners appoint the County Manager, Tax Administrator, County Attorney, and Clerk to the Board. The County Manager is responsible for preparing and presenting the annual budget, implementing policies, managing daily operations, and hiring and supervising department heads. The voters of Transylvania County also separately elect the offices of Sheriff and Register of Deeds who fulfill certain constitutional duties.

Transylvania County government offers its citizens a wide range of services including health and social programs, public safety, environmental protection, economic and physical development support, cultural and recreational opportunities, and general administration services.

ECONOMIC OUTLOOK

Transylvania County has a diversified economy based primarily on five sectors: (1) travel and tourism, (2) human services including health care, education, and government, (3) retail, (4) construction and real estate development, and (5) manufacturing. Other contributors include agriculture, financial services, and utilities.

The most recent property tax revaluation occurred in 2025 and resulted in a 59.9% overall increase in the tax base, which reflected the nationwide growth in the market values of real property. This increase brought down the revenue neutral tax rate to \$0.3837. In addition to this, the County continues to see measurable growth in some industries and growth in the County's median income, average weekly wage and median single family home sales.

MAJOR INITIATIVES

Strategic Plan

In August 2019, the Board of Commissioners amended the Transylvania County Strategic Plan and renewed their commitment to furthering the goals outlined in that plan. Initiated by the Board, the process began with a review of the goals and strategies outlined in the plan. Based on that review, the Board considered there was a consensus to keep those goals in place and that it could be clarified further by consolidating some goals and strategies together. This led to the finalization of a renewed five-point plan.

1. Economic Development: Diversify the local economic tax base, increase jobs for citizens that pay a living wage, and create a stable local economy that capitalizes on the unique quality of life and environment found in our community.

2. Education: Ensure that the education environment facilitates learning and students are being prepared for a successful future. Increase the resources available for enhancing education for all ages.
3. Visitation: Create vibrant nodes of economic and civic activity that create a draw for visitors as well as a platform for community engagement.
4. Quality of Life: Enhance the community's quality of life by providing resources that promote health, transportation connectivity, sense of place, cultural heritage, and public safety and manage and maintain the wealth of natural resources in Transylvania County.
5. Value of County Government: Maintain a service-driven, transparent, and performance-based county government with more active and engaged citizens.

Since the strategic plan's adoption, the Board has referred to it as a guide for policy and budgetary decisions to assure that governmental activities and annual funding appropriations move the County forward to the realization of the five goals.

While the adoption of the Strategic Plan underscored the Board's recognition of the importance of long-term planning and commitment to expanding the process, the County has for many years prepared a multi-year capital plan for significant equipment acquisitions, building and land improvements, and new facilities. Using the strategic plan as a framework going forward, the County may analyze and plan for other critical long-range needs such as infrastructure for economic development and protection of the county's potable water supply.

Major Capital Planning

Since fiscal 2017, the Board of County Commissioners has implemented a property tax rate designed in part to offset the major capital planning needs for County facilities. Initially, this rate increase was designed to generate \$1,200,000 annually in property tax revenue specifically for an informal list of capital projects. In FY 2020, the rate increased further to generate a total of \$2,400,000 annually in revenue.

Since this program was implemented, the County has been able to directly finance or cash fund several major capital projects across its many functions to improve the quality of life for residents. From these funds, several major additions have been made at the County's parks and recreation facilities including the acquisition of a new 55 acre parcel in the City of Brevard, a significant local match was provided towards the construction of a \$5.3 million industrial shell building to improve County's light manufacturing facility offerings and a project began to overhaul the County's emergency radio system to provide for enhanced coverage county-wide and across the multiple national and state forests.

Additionally, in FY 2020 the County implemented a property tax increase in the ad valorem tax rate County-wide to enter the beginning stages of major planned overhauls of Brevard High School and Rosman High/Middle School. The estimated revenue from this increase has been \$6.2 million annually, the estimate of the annual payment for general obligation school bonds. The approval to issue \$68,000,000 of general obligation bonds was won through a public information campaign at the November 2018 elections. Unfortunately, escalating costs of construction have pushed the project into uncertainty and a County and Board of Education workgroup was tasked with establishing a path forward. This workgroup was able to present scopes for the critical needs and the County has issued \$46,665,000 of the \$68 million approved for the first phases of school capital.

The county has recently received various grants to support capital in addition to the capital planning already completed and helped support the opening of a new main EMS base in August 2024 and infrastructure improvements in partnership with the City of Brevard and Town of Rosman that support housing and economic development.

Plans to construct a new County courthouse or renovate the existing facilities, originally constructed in the mid-1800s are moving forward with an engineering firm providing options for exterior elevation design and redesigned programming. Changes in legal proceedings, and use of electronic hearing have shifted the need for space originally planned.

OTHER INFORMATION

CERTIFICATE OF ACHIEVEMENT: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Transylvania County for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the 37th year that the County achieved this distinction. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. Deadlines for submission have tightened by the GFOA, so our timing this year, due to Helene, may impact the review of our application.

ACKNOWLEDGMENTS:

The preparation of this report could not have been accomplished without the contributions of the Finance Office staff, whose knowledge, diligence, and dedication lay a reliable foundation for all the County's financial records. Anita Barnard, Christy Stansel, Jennifer Galloway, Teresa Curto, Lissa Padgett and Liam McKissock have earned my most sincere gratitude along with Budget and Management Analyst Jennifer Wright in Administration. The past year of recovery from Helene has been hard, but teamwork from all County departments and full support from County Administration has helped this process move forward.

In closing, I thank the Transylvania County Board of County Commissioners for their interest and support in planning and conducting the financial activities of the County in a fiscally sound manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Meagan O'Neal".

Meagan O'Neal
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

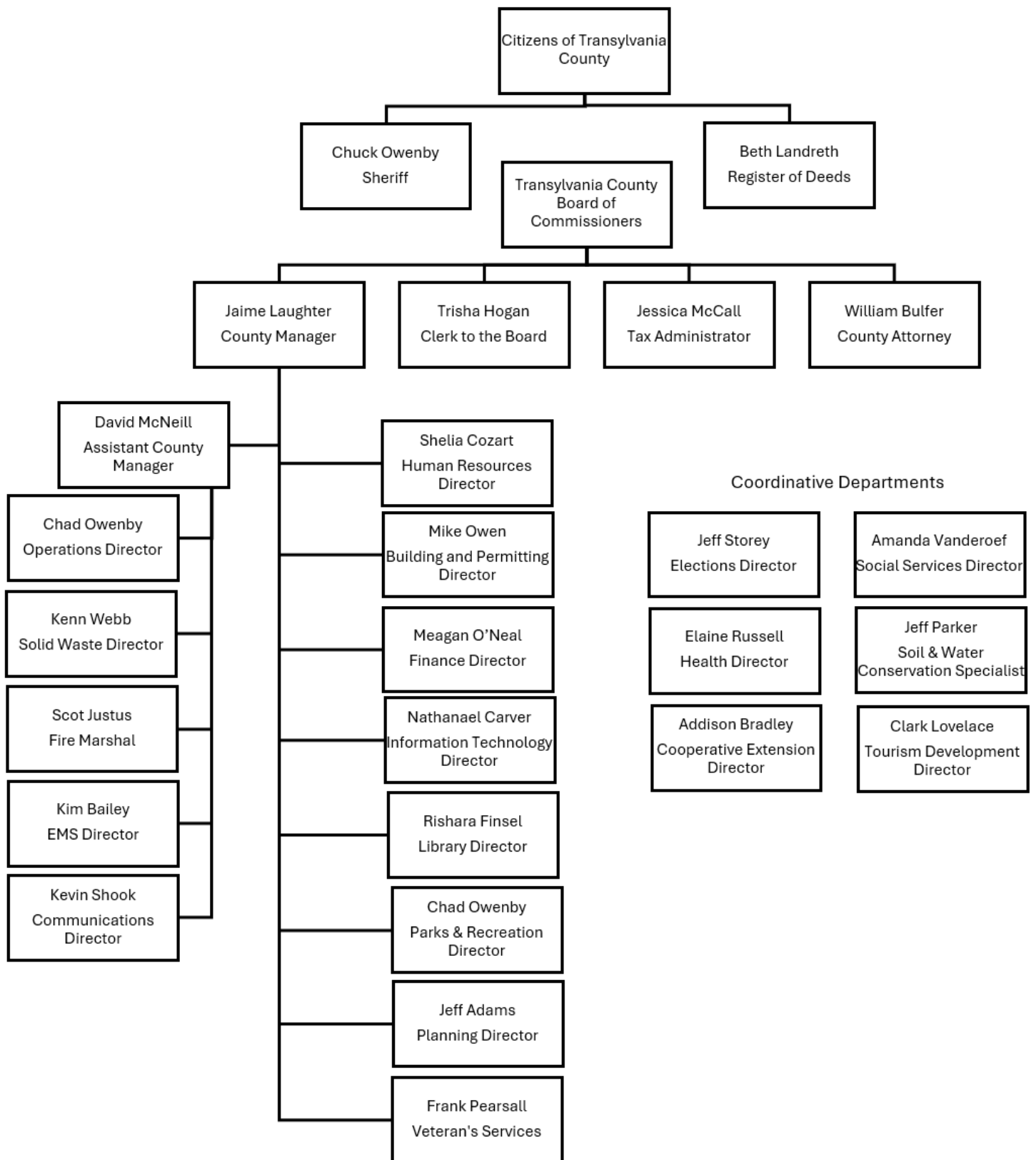
**Transylvania County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of Commissioners
Transylvania County, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited 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 Transylvania County, North Carolina, as of and for the year ended June 30, 2024, 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 accompanying 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 Transylvania County, North Carolina, as of June 30, 2024, and the respective changes in financial position, and cash flows thereof and the respective budgetary comparison for the General Fund and the Opioid Settlement 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Transylvania County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of the Change in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension

Liability (Asset) and Schedule of County Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Transylvania County's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 to 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 combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical section but does not include the basic financial statements and our auditor's 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 September 24, 2025 on our consideration of Transylvania County's internal control over financial reporting and 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 Transylvania County'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 Transylvania County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 24, 2025

Management's Discussion and Analysis

As management of Transylvania County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Transylvania County for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the information provided in our letter of transmittal and in the financial statements that follow this narrative.

Financial Highlights

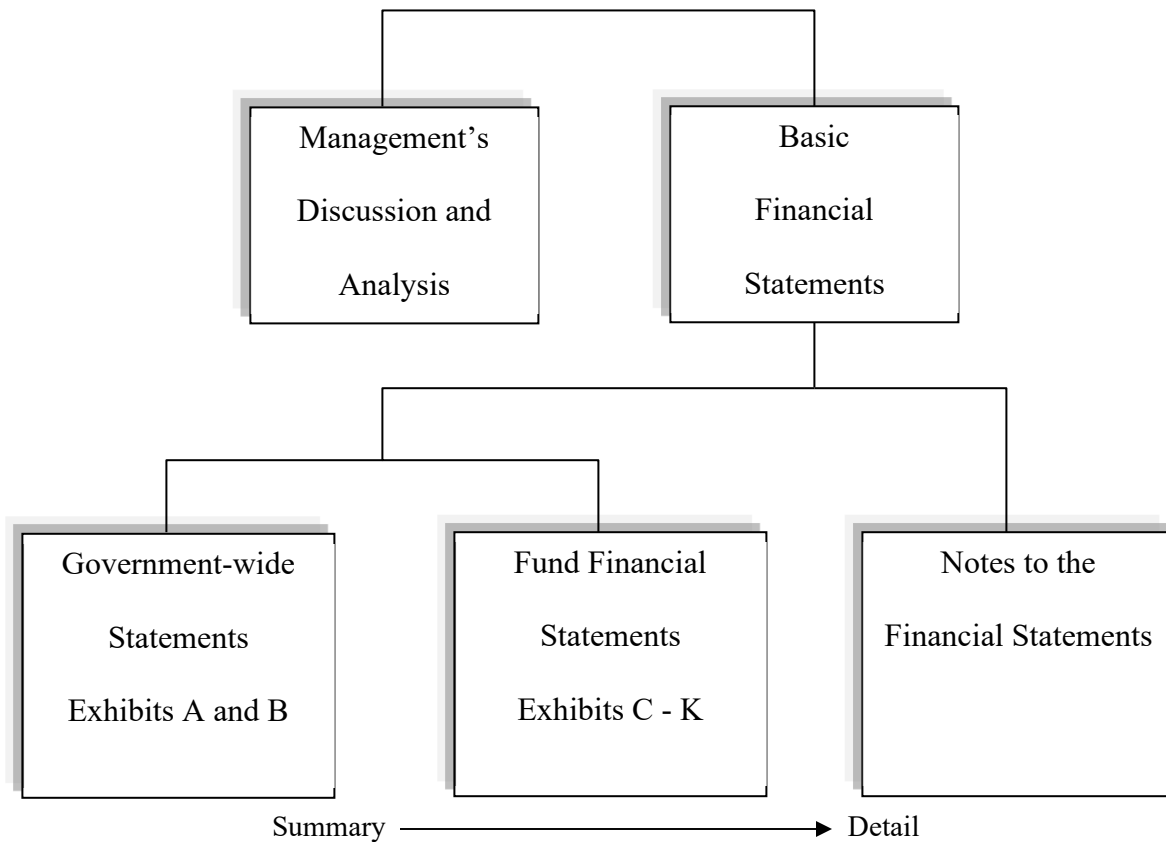
- Transylvania County's assets and deferred outflows exceeded its liabilities and deferred inflows of resources by \$125,675,740. The net position of the County increased over the prior fiscal year by \$8,147,773 (6.93%).
- The County's General Fund balance increased by \$7,019,522, or by 16.33%. Of this total, \$4,286,403 (8.57%) was non-spendable and \$7,924,041 (15.85%) was restricted. \$21,976,550 was assigned or committed representing 43.95% of the County General Fund's balance. \$15,812,561 was unassigned (31.63%).
- At the close of the fiscal year, the County's governmental funds reported combined fund balances of \$85,515,790 reflecting an increase of \$13,165,091 over the prior year or 18.20%. Approximately 24.76% of the balance is restricted or non-spendable, totaling \$21,171,281. Another 60.69%, or \$51,901,571, is either committed or assigned for specific purposes, leaving the remaining \$12,442,938 (14.55%) unassigned.
- As of June 30, 2024, the County had long-term outstanding debt of \$6,200,343, an increase of \$4,641,613 or 297.78%. This increase in long-term obligations is related to the issuance of installment financing, as well as lease liabilities issued.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Transylvania County's basic financial statements. These 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 using 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 Transylvania County.

Required Components of Annual Financial Report

Figure 1



Government-wide Financial Statements

The government-wide financial statements (Exhibits A and B) are designed to provide the reader with a broad overview of Transylvania County's finances in a manner like private-sector financial statements. The focus of these statements is the measurement of *economic resources* of the County. Prepared using the full accrual basis of accounting, the government-wide financial statements record the impact of all transactions when the transaction occurs. This approach recognizes that the financial implications of certain transactions initiated in the current period can extend into future periods. Consequently, these statements provide both short and long-term information about the County's financial status.

The two government-wide statements present the County's net position at the end of the year and how it has changed during the year. The *Statement of Net Position* (Exhibit A) shows the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position. Net position is divided into three categories based on availability for funding ongoing obligations: (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

The *Statement of Activities* (Exhibit B) shows what caused the County's net position to increase or decrease over the most recent fiscal year. Since all changes are reported as soon as the event giving rise to them occurs, revenues and expenses are included in this statement even though the related cash flow may not occur until later. The *Statement of Activities* also compares the costs of the County's various functions with the sources of funding for those activities, highlighting the balance that must be subsidized through property taxes and other general revenues. By examining the government-wide statements, the reader may assess whether Transylvania County's overall financial position has improved or deteriorated because of current year transactions and evaluate the adequacy of the County's existing economic resources to support future years' ongoing needs, special projects, and long-term financial obligations.

Transylvania County's government-wide statements are prepared for three categories of activities:

- **Governmental activities** – These activities include the County's basic services such as public safety, human services, culture and recreation, general administration, and education. These services are financed predominantly through property taxes, sales taxes, and state and federal grant monies.
- **Business-type activity** – The only business-type activity that Transylvania County engages in is the operation of a landfill, which is financed primarily through user fees, with supplemental revenues from property taxes and other intergovernmental sources.
- **Component Units** - The County has one component unit: the Transylvania County Tourism Development Authority. The tourism development authority is a legally separate entity and is treated as a discretely presented component unit with its financial activity reported separately on the government-wide financial statements. For more detailed information, please refer to the Annual Comprehensive Financial Report prepared for the Transylvania County Tourism Development Authority.

The government-wide financial statements appear on pages 18 to 21 of this report.

Fund Financial Statements

There are four components of the fund financial statements (Exhibits C through K): (1) the governmental funds statements, (2) the budgetary comparison statement, (3) the proprietary fund statements, and (4) the fiduciary fund statements. These 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. Transylvania County's funds may be divided into three categories - governmental, proprietary, and fiduciary. Like all other governmental entities in North Carolina, Transylvania County uses fund accounting to ensure and demonstrate compliance with federal, state, and local financial and legal requirements.

Governmental Funds – Most of the County's basic services are accounted for in the governmental funds. These functions are the same ones that are reported as governmental activities in the government-wide financial statements. There are two governmental fund financial statements, the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balance* (Exhibits C through E). In contrast to

the government-wide statements, the fund financial statements report only those transactions that will impact cash in the near-term. The modified accrual basis of accounting is used in their preparation, and the focus is on current *financial resources* – monies remaining at year-end and assets that may readily be converted into cash. Through the detailed, short-term view presented in the governmental fund financial statements, the reader may assess the adequacy of financial resources available to fund the County's services in the coming year. The relationship between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is explained in a reconciliation that is a part of the fund financial statements.

In compliance with GASB Statement No. 54, the County's balance sheet for the governmental funds classifies components of fund balance according to the constraints placed on how resources within the fund balance may be spent and the sources of those constraints. In descending order of limitations on use, the five categories of fund balance are:

- Non-spendable because the amounts are not in cash (such as inventories) or are legally required to be maintained intact.
- Restricted by external sources such as debt covenants, grant agreements, and statutes, including Stabilization funds which are stated separately on the balance sheet.
- Committed by formal action of the government's highest level of decision-making authority.
- Assigned by the government's intent for a specific purpose.
- Unassigned, which is available for general use.

Please refer to pages 44-48 in the Notes for further explanation of these classifications.

Budgetary Comparison Statement – As required by North Carolina General Statutes, Transylvania County adopts an annual budget for its governmental funds, except for those capital project funds covered by project ordinances. The budget is a legally adopted document that incorporates input from the citizens of the County, requests from the management of County government, and the decisions of the Board of Commissioners about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The *Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual* (Exhibit F) for the General Fund demonstrates how well the County complied with the budget ordinance and whether it 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 presents 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 against appropriations, and ending balances in the General Fund and the Opioid Settlement Fund, and (4) the variance between the final budget and the actual resources and charges.

Proprietary Fund - Transylvania County has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Transylvania County uses an enterprise fund to account for the County's landfill operations. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of Transylvania County. The County uses one internal service fund to account for the self-insurance plan. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Transylvania County has three fiduciary funds, all of which are custodial funds: The Municipal Tax Fund, the Jail Inmate Fund, and the Cooperative Extension Fund (Exhibit J and K).

Notes to the Financial Statements

The notes explain in detail some of the data contained in the statements and are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements start on page 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplemental information beginning on page 86 about funding of Transylvania County's pension and other post-employment benefit obligations. The next section provides more detailed information about the major and non-major governmental, proprietary, and custodial funds, as well as an analysis of the current tax levy and schedule of ad valorem taxes receivable. The final section of the report contains statistical tables which present trends for financial performance and resources and other key economic, demographic, and operating indicators.

Government-Wide Financial Analysis

Total net position, and particularly changes in net position over time, may serve as an indicator of a government's financial condition. As of June 30, 2024, Transylvania County's government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$125,675,740, reflecting an increase of \$8,147,773 (see Figure 2, below).

Transylvania County Summary of Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Government-Wide Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 109,506,831	\$ 85,014,961	\$ 12,879,660	\$ 14,099,754	\$ 122,386,491	\$ 99,114,715
Noncurrent assets	467,847	845,691	-	-	467,847	845,691
Capital assets	42,931,666	40,252,340	3,691,495	3,650,100	46,623,161	43,902,440
Total Assets	152,906,344	126,112,992	16,571,155	17,749,854	169,477,499	143,862,846
Deferred outflows of resources	9,682,914	9,759,988	477,165	472,644	10,160,079	10,232,632
Long-term liabilities outstanding	24,739,216	19,518,235	9,272,863	8,784,164	34,012,079	28,302,399
Other liabilities	18,861,312	7,399,090	247,849	561,215	19,109,161	7,960,305
Total Liabilities	43,600,528	26,917,325	9,520,712	9,345,379	53,121,240	36,262,704
Deferred inflows of resources	822,823	301,938	17,775	2,869	840,598	304,807
Net Position:						
Net investment in capital assets	37,414,587	38,763,951	3,660,900	3,579,759	41,075,487	42,343,710
Restricted	14,022,031	12,353,981	-	-	14,022,031	12,353,981
Unrestricted	66,729,289	57,535,785	3,848,933	5,294,491	70,578,222	62,830,276
Total Net Position	\$ 118,165,907	\$ 108,653,717	\$ 7,509,833	\$ 8,874,250	\$ 125,675,740	\$ 117,527,967

Overall, the County's net position increased by 6.93% This is an aggregate of two changes in net position for the County overall. The net position of governmental activities increased by \$9,512,190, and the net position of business-type activities decreased by \$1,364,417.

Of the government's net position:

- ❖ Investment in capital assets represented \$41,075,487 (32.68%) of the government wide total net position and represented the County's extensive investment in land, buildings, furniture and fixtures, vehicles, and other equipment.
- ❖ \$14,022,031 (11.16%) represents resources that are subject to external restrictions on how the funds may be used. These restrictions are legally binding and are imposed by general statutes, grants or contracts.
- ❖ Stabilization funds required by the state government make up \$9,699,019 of that classification, which also includes smaller amounts restricted to fire district taxes, court fees, the Emergency Telephone system, the Register of Deeds pension plan, and other various grants and donations.

Transylvania County Summary of Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
Revenues:	2024	2023	2024	2023	2024	2023
<i>Program Revenues</i>						
Charges for services	\$ 6,277,681	\$ 5,970,611	\$ 2,781,082	\$ 2,921,332	\$ 9,058,763	\$ 8,891,943
Operating grants	8,045,771	12,510,059	88,822	89,602	8,134,593	12,599,661
Capital Grants	-	600,000	1,307,238	3,059,241	1,307,238	3,659,241
<i>General Revenues</i>						
Property taxes	47,099,412	46,192,672	-	-	47,099,412	46,192,672
Other taxes	17,906,924	17,823,702	-	-	17,906,924	17,823,702
Grants and contributions unrestrict.	646,302	549,921	-	-	646,302	549,921
Interest	4,251,597	2,501,405	524,337	194,532	4,775,934	2,695,937
Total Revenues	84,227,687	86,148,370	4,701,479	6,264,707	88,929,166	92,413,077
Expenses:						
General Government	11,403,366	11,330,489	-	-	11,403,366	11,330,489
Public Safety	26,281,828	23,571,826	-	-	26,281,828	23,571,826
Transportation	679,629	591,348	-	-	679,629	591,348
Economic and Physical Development	3,963,796	3,254,918	-	-	3,963,796	3,254,918
Human Services	11,864,345	11,089,849	-	-	11,864,345	11,089,849
Culture and Recreation	2,853,092	2,833,541	-	-	2,853,092	2,833,541
Education	18,249,625	16,204,467	-	-	18,249,625	16,204,467
Interest on long-term debt	218,694	42,718	-	-	218,694	42,718
Landfill	-	-	5,267,018	6,894,209	5,267,018	6,894,209
Total Expenses	75,514,375	68,919,156	5,267,018	6,894,209	80,781,393	75,813,365
Change in Net Position Before Transfers	8,713,312	17,229,214	(565,539)	(629,502)	8,147,773	16,599,712
Transfers	798,878	(1,162,672)	(798,878)	1,162,672	-	-
Net Position, July 1	108,653,717	89,382,505	8,874,250	8,341,080	117,527,967	97,723,585
Restatement	-	3,204,670	-	-	-	3,204,670
Restated Net Position, July 1	108,653,717	92,587,175	8,874,250	8,341,080	117,527,967	100,928,255
Change in Net Position	9,512,190	16,066,542	(1,364,417)	533,170	8,147,773	16,599,712
Net Position, June 30	\$118,165,907	\$108,653,717	\$ 7,509,833	\$ 8,874,250	\$125,675,740	\$117,527,967

Governmental activities – Transylvania County’s governmental activities closed the year with a net position of \$118,165,907, an increase of \$9,512,190.

The primary factors attributable to this increase were as follows:

- Increased inflows from property taxation
- Increases in operating and support grants provided by federal and state governmental agencies
- Lower outflows related to education due to delays in planned annual capital projects
- An increase in investment income due to market forces

Business-type activities – Transylvania County’s business-type activities closed the year with a net position of \$7,509,833, a decrease of \$1,364,417.

The primary factors driving this change were as follows:

- Decrease in scale sales of \$250,825
- Increase in personnel costs of \$132,588
- Increased personnel costs in-turn increased indirect overhead by \$30,515

Financial Analysis of the County’s Funds

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

Governmental Funds – The goal of governmental fund statements is to provide information on near-term inflows, outflows, and balances of useable resources. Such information is helpful in assessing the County’s financing requirements. Specifically, unassigned fund balance can be a meaningful measure of a government’s net resources available for spending during the next fiscal year.

The County’s governmental fund types are divided into two categories, major and non-major. For 2024, the County had four major funds: the General Fund, Opioid Settlement Fund, Education Capital Project Fund, the General Capital Projects Fund and the Multi-Year Grant Ordinance Fund. The non-major governmental funds consist of Special Revenue Funds, the Capital Reserve Fund, and the Permanent Fund.

The General Fund is the chief operating fund of Transylvania County. At the end of the current fiscal year, the total fund balance equaled \$49,999,555, with \$4,286,403 non-spendable and \$7,924,041 restricted.

- ❖ \$6,764,723 was restricted for stabilization by state statute.
- ❖ \$1,159,318 was restricted by General Statutes for court facilities and by restrictions imposed by state agencies on proceeds for the Department of Social Services and Department of Public Health.
- ❖ \$2,010,530 was committed by the Board of Commissioners for pension payments for retired law enforcement officers.
- ❖ \$19,966,020 was assigned for specific uses including:
 - \$11,814,500 for the County’s informal capital improvement plan
 - \$2,323,719 for accrued vacation liabilities
 - \$2,004,859 for expenditures authorized in the following fiscal year
 - \$1,390,793 for other economic and physical development
- ❖ \$15,812,561, or 31.63 percent of the total, was unassigned and therefore available for spending at the government’s discretion.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.16% percent of total General Fund expenditures and transfers out. Total General Fund balance represented more than 73.23% percent of the General Fund's actual expenditures and transfer out for fiscal year 2024.

The General Fund balance increased by 16.33%, or \$7,019,522.

The major factors in the performance of the General Fund for the year ended June 30, 2024 were as follows:

- ❖ Actual revenues decreased from prior year by 2%, or \$1,920,683, driven by the following factors:
 - A decrease of \$4,464,288 in operating grants received from outside agencies.
 - The largest increase of all categories was Investment Earnings, which brought in \$1,750,192 more than 2023 due to maintaining maximum funding in the investment accounts.
- ❖ Actual expenditures were \$6,595,219 higher than fiscal 2023, driven by the following factors:
 - \$2,710,002 higher expenditures on public safety functions, or 11.4% caused by personnel and pension increases, as well as vehicle purchases and upfit costs.
 - Education expenses provided to Transylvania County Schools and Blue Ridge Community College increased by \$2,045,158.
- ❖ The General Fund's support for other governmental and proprietary funds decreased over FY 2023, with total transfers totaling \$7,788,687, a decrease of \$1,716,204 (18%).
 - The largest transfers were into the Education Capital fund for a total of \$2,934,143 and contributions to supplement the Enterprise Fund of \$1,185,925.

The combined fund balances of all other governmental funds increased by \$6,145,569 in FY 2024. This increase of 2078.29% is primarily related to the General Capital Fund, presented as a major fund, having a fund balance increase of \$2,006,707, as well as similar increases in the Education Capital Fund of \$1,188,695 and the Multiyear Grant Fund of \$1,862,462.

As of June 30, 2024, Transylvania County's governmental funds reported a total ending balance of \$85,515,790, an increase of \$13,165,091 or 18.20%.

The Education Capital Project Fund's fund balance increased by \$1,188,695, or 4.93%, due to transfers in from the General Fund and Capital Reserve Fund, as well as general delays in project expenditures due to turnover of key staff at Transylvania County Schools charged with managing project processes.

- ❖ Transylvania County began appropriating education capital projects greater than \$50,000 by project in their budget ordinances beginning in FY20. Capital expenditures requested by Transylvania Schools for Furniture Fixtures and Equipment, Vehicles and projects less than \$50,000 that are approved in the budget are paid in monthly installments. Projects greater than \$50,000 approved in the budget required documentation submittal in order to allocate the funds and either pay contracts or reimburse TCS. It was initially anticipated that these projects would be completed annually as they were submitted by TCS in annual requests. Projects that had not been drawn down for projects were tracked in restricted fund balance along with restricted sales tax collections required to be used for Education Capital under state statute. The County also created the Education Capital Fund in FY20 as a means to track the larger bond funded projects anticipated to be funded after the 2018 bond vote with the original expectation based on school construction timelines that the bonds would be sold in early 2020 for construction to commence in spring 2020. This would have initiated payments on the bonds.

- ❖ In FY 23, there were still funds in restricted fund balance and in the current budget initially approved for annual capital projects of \$50,000 for TCS from FY20 and FY 21 that had still not been drawn down by TCS with documentation. At the same time, the original bond projects were delayed and had gone to bid in 2021 with expected bond sale in late summer 2021. The bids were over the allowable bond sale and the bond sale process had to be halted. In spring 2023, in an effort for transparency, Commissioners approved consolidating the restricted sales tax for education capital and the outstanding prior year project balances into the Education Capital Fund.

The General Capital Projects Fund's fund balance increased by \$2,006,707, or 77.36%, due to contributions from the General Fund and the Capital Reserve fund. Projects began to move forward at the schools.

The Multi-Year Grant Fund Project Ordinance's fund balance increased by \$1,862,462 due to the identification and reclassification of several grant sources to the multi-year fund.

The Opioid Settlement Fund's fund balance increased by \$920,462 due to settlement funds received over the past several years.

Proprietary Fund –

Transylvania County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

It is important for readers to note that the County has an enterprise capital project fund for Water and Sewer development presented as a sub-unit of the Solid Waste Fund. The County does not operate a Water and Sewer system, but in the event it needs to do so, it has chosen to present a current capital project fund in enterprise accounting to maintain consistency over time.

Solid Waste Fund

The net position of the County's enterprise activity, the Solid Waste Fund decreased by \$1,364,417.

Operating revenues for the Solid Waste Fund decreased by \$215,388 in FY 2024, to a total of \$2,756,478. This was driven primarily by a decrease in Scale Sales at the Landfill, and tonnage reported across the county Convenience Sites as well as increased costs for the operation of the landfill.

Solid Waste activities generated an operating loss of \$1,075,366. This was \$104,375 higher than the prior year, or 10.75%.

A transfer from the General Fund of \$1,185,925 was intended to supplement and mitigate some of the operating loss in the Solid Waste Fund.

Governmental Activities

Internal Service Fund

In 2022, in the interest of clarifying and improving financial reporting, the County established a governmental internal service fund for the operation of the County's group insurance plan. This plan represents inflows and outflows related to the collection of premiums from employees and the employer, and vendor payments of health claims and administrative fees paid on behalf of employees.

In the County's internal service fund, charges for services, representing employee and employer premiums paid totaled \$1,675,316. Operating expenditures, representing health claims and administrative fees paid to Blue Cross Blue Shield totaled \$4,422,515.

General Fund Budgetary Highlights:

The County's financial performance in the General Fund played a significant role in the stronger financial position of the County at fiscal year-end. Most notable were positive variances of over 11% against the final budget in Human Services and over 9% in Public Safety, which can be attributed to the diligence of management in monitoring operational budgets.

Capital Asset and Debt Administration

Capital assets: Transylvania County's capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$46,623,161 (net of accumulated depreciation). These assets consisted of buildings, land, machinery and equipment, furniture and fixtures, park facilities, and vehicles (see Figure 4). Additional information regarding Transylvania County's capital assets can be found in note 3.A. of the Notes, beginning on page 55 of this report.

Transylvania County's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 3,976,648	\$ 3,976,648	\$ 1,130,910	\$ 1,130,910	\$ 5,107,558	\$ 5,107,558
Landfill cells	-	-	144,258	271,722	144,258	271,722
Buildings	29,002,220	29,786,021	344,901	391,630	29,347,121	30,177,651
Improvements	1,160,339	1,132,369	381,320	219,459	1,541,659	1,351,828
FF&E	1,105,087	1,278,495	854,709	799,559	1,959,796	2,078,054
Vehicles	2,314,589	2,183,250	376,796	461,419	2,691,385	2,644,669
Leases	149,891	353,000	29,346	68,475	179,237	421,475
Subscriptions	120,109	168,153	-	-	120,109	168,153
Construction in progress	5,102,783	1,374,404	429,255	306,926	5,532,038	1,681,330
Total	\$ 42,931,666	\$ 40,252,340	\$ 3,691,495	\$ 3,650,100	\$ 46,623,161	\$ 43,902,440

Long-term Debt: The County’s outstanding debt totaled \$6,200,343 at year end. The increase in outstanding debt is related primarily to the issuance of installment financings, as well as lease liabilities issued.

The County anticipates issuing general obligation bonds to offset the cost of Renovations overseen by Transylvania County Schools after the results of a joint study work group are made in FY24. The voters rendered a verdict in favor of these bonds at the November 2018 election, but the original projects were delayed due to increased cost causing both boards to commit to the study group. It also began the construction of a new Emergency Medical Services ambulance base with the issuance of installment financing in July of 2024.

Transylvania County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment financings	\$ 5,830,325	\$ 913,489	\$ -	\$ -	\$ 5,830,325	\$ 913,489
Lease liabilities	229,180	411,774	30,595	70,341	259,775	482,115
Subscription liabilities	110,243	163,126	-	-	110,243	163,126
Total	\$ 6,169,748	\$ 1,488,389	\$ 30,595	\$ 70,341	\$ 6,200,343	\$ 1,558,730

On June 30, 2024, the County had a legal debt margin of \$547,471,890.

Additional information regarding Transylvania County’s long-term debt can be found in note 3.B. of the Notes, beginning on page 77 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Long-term needs were the dominating factor in the planning, recommendation, and adoption of a budget ordinance for Transylvania County for the year ending June 30, 2025. Public safety and the long-term needs of the Transylvania County Landfill, which has current permitted cell capacity through 2026 were the primary factors. These challenges required a strategic approach to ensure that adequate resources were available to address the statutory requirements and mandates unique to North Carolina County governments.

Governmental Activities:

General Fund appropriations only rose by \$3,517 from FY 2024’s initial budget to FY 2025’s final adopted budget. This was driven by an effort to maintain funding at current levels.

The County continued in FY 2025 financial steps it had taken in FY 2024 to increase financial support for volunteer fire departments and rescue agencies and the County’s enterprise fund landfill operations. Generally, the County anticipated that these increases in budget would be offset by increased revenues from property tax and sales tax. Most other revenue classifications for the County were not expected to increase.

Business-type Activities

The Board also approved a budget for landfill activities and the Solid Waste department at \$4,137,310, an increase of approximately 4.8% for needed capital purchases of equipment. As in prior years, the Board and Management were aware that it would not be possible to generate sufficient revenues to cover the cost of landfill operations, given the rural and geographically isolated nature of its landfill operation. Accordingly, the FY 2025 budget ordinance planned a transfer of \$1,185,925 from the General Fund to the Solid Waste Fund.

Overall, future expansion needs of the Transylvania County landfill will continue to reflect increasing expenditures in the enterprise fund over the long term with significant investment required to maintain solid waste operations in the county.

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 submitted to the Finance Director of Transylvania County, 101 South Broad Street, Brevard, North Carolina 28712.

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**BASIC
FINANCIAL
STATEMENTS**

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TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Transylvania County Tourism Development Authority
Assets:				
Current assets:				
Cash and investments	\$ 79,743,952	\$ 3,895,668	\$ 83,639,620	\$ 1,219,445
Taxes receivable, net	106,411	-	106,411	-
Accounts receivable, net	4,255,499	152,257	4,407,756	-
Lease receivable	318,090	-	318,090	-
Due from primary government	-	-	-	238,845
Internal balances	32,392	(32,392)	-	-
Due from other governments	9,308,613	1,869,925	11,178,538	-
Long-term receivable	3,658,915	-	3,658,915	-
Inventories	24,975	-	24,975	-
Prepaid items	2,860,829	-	2,860,829	4,758
Cash and investments, restricted	9,197,155	6,994,202	16,191,357	-
Total current assets	109,506,831	12,879,660	122,386,491	1,463,048
Non-current assets:				
Net pension asset (ROD)	49,984	-	49,984	-
Accounts receivable, non-current	417,863	-	417,863	-
Capital assets:				
Land and other non-depreciable assets	9,079,431	1,560,165	10,639,596	-
Depreciable assets, net	33,852,235	2,131,330	35,983,565	-
Total capital assets	42,931,666	3,691,495	46,623,161	-
Non-current assets, net	43,399,513	3,691,495	47,091,008	-
Total assets	152,906,344	16,571,155	169,477,499	1,463,048
Deferred Outflows of Resources:				
Pension deferrals	9,255,187	454,653	9,709,840	-
OPEB deferrals	427,727	22,512	450,239	-
Total deferred outflows of resources	9,682,914	477,165	10,160,079	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	5,490,340	167,680	5,658,020	60,209
Prepaid fees	308,175	-	308,175	-
Due to component unit	238,845	-	238,845	-
Due to other governments	11,224	-	11,224	-
Advances from grantors	9,515,348	-	9,515,348	-
Unearned revenue	1,270,608	-	1,270,608	-
Accrued interest payable	19,027	-	19,027	-
Current portion of long-term liabilities	2,007,745	80,169	2,087,914	-
Total current liabilities	18,861,312	247,849	19,109,161	60,209

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Transylvania County Tourism Development Authority
Non-current liabilities:				
Net pension liability (LGRS)	13,851,249	729,013	14,580,262	-
Total pension liability (LEOSSA)	2,760,106	-	2,760,106	-
Total OPEB liability	2,422,145	127,481	2,549,626	-
Due in more than one year	5,705,716	8,416,369	14,122,085	-
Total non-current liabilities	24,739,216	9,272,863	34,012,079	-
Total liabilities	43,600,528	9,520,712	53,121,240	60,209
Deferred Inflows of Resources:				
Prepaid taxes	26,973	-	26,973	-
Lease deferrals	316,244	-	316,244	-
Pension deferrals	479,606	17,775	497,381	-
Total deferred inflows of resources	822,823	17,775	840,598	-
Net Position:				
Net investment in capital assets	37,414,587	3,660,900	41,075,487	-
Restricted for:				
Stabilization by state statute	9,699,019	-	9,699,019	238,845
Permanently restricted for perpetual maintenance - non-expendable	108,367	-	108,367	-
Register of Deeds Pension Plan	49,984	-	49,984	-
General government	2,201	-	2,201	-
Court facilities	58,183	-	58,183	-
Public safety	78,012	-	78,012	-
Fire departments	1,231,234	-	1,231,234	-
Emergency telephone system	730,454	-	730,454	-
Health department programs	100,000	-	100,000	-
Social services	14,703	-	14,703	-
Health services	1,350,631	-	1,350,631	-
Recreation programs and facilities	265,480	-	265,480	-
Donor intent	333,763	-	333,763	-
Tourism promotion	-	-	-	1,163,994
Unrestricted	66,729,289	3,848,933	70,578,222	-
Total net position	\$ 118,165,907	\$ 7,509,833	\$ 125,675,740	\$ 1,402,839

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

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TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		
			Operating	Capital
	Expenses	Charges for	Grants and	Grants and
		Services	Contributions	Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 11,403,366	\$ 1,138,484	\$ 387,430	\$ -
Public safety	26,281,828	4,380,485	962,319	-
Transportation	679,629	4,159	403,713	-
Economic and physical development	3,963,796	2,455	869,213	-
Human services	11,864,345	604,438	5,241,366	-
Cultural and recreational	2,853,092	147,660	181,730	-
Education	18,249,625	-	-	-
Interest and fees	218,694	-	-	-
Total governmental activities	<u>75,514,375</u>	<u>6,277,681</u>	<u>8,045,771</u>	<u>-</u>
Business-Type Activities:				
Solid waste	<u>5,267,018</u>	<u>2,781,082</u>	<u>88,822</u>	<u>1,307,238</u>
Total primary government	<u>\$ 80,781,393</u>	<u>\$ 9,058,763</u>	<u>\$ 8,134,593</u>	<u>\$ 1,307,238</u>
Component Unit:				
Tourism Development Authority	<u>\$ 2,379,557</u>	<u>\$ 39,025</u>	<u>\$ -</u>	<u>\$ -</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government			Transylvania County Tourism Development Authority
	Governmental Activities	Business-Type Activities	Total	
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (9,877,452)	\$ -	\$ (9,877,452)	
Public safety	(20,939,024)	-	(20,939,024)	
Transportation	(271,757)	-	(271,757)	
Economic and physical development	(3,092,128)	-	(3,092,128)	
Human services	(6,018,541)	-	(6,018,541)	
Cultural and recreational	(2,523,702)	-	(2,523,702)	
Education	(18,249,625)	-	(18,249,625)	
Interest and fees	(218,694)	-	(218,694)	
Total governmental activities	(61,190,923)	-	(61,190,923)	
Business-Type Activities:				
Solid waste	-	(1,089,876)	(1,089,876)	
Total primary government	(61,190,923)	(1,089,876)	(62,280,799)	
Component Unit:				
Tourism Development Authority				\$ (2,340,532)
General Revenues:				
Taxes:				
Ad valorem taxes	47,099,412	-	47,099,412	-
Local option sales taxes	14,692,486	-	14,692,486	-
Deed stamp excise tax	118,808	-	118,808	-
Real estate transfer tax	1,086,723	-	1,086,723	-
Occupancy tax	2,008,907	-	2,008,907	1,979,290
Unrestricted intergovernmental revenues	646,302	-	646,302	-
Investment earnings, unrestricted	4,251,597	524,337	4,775,934	67,469
Total general revenues excluding transfers	69,904,235	524,337	70,428,572	2,046,759
Transfers	798,878	(798,878)	-	-
Total general revenues and transfers	70,703,113	(274,541)	70,428,572	2,046,759
Change in net position	9,512,190	(1,364,417)	8,147,773	(293,773)
Net Position:				
Beginning of year - July 1	108,653,717	8,874,250	117,527,967	1,696,612
End of year - June 30	\$ 118,165,907	\$ 7,509,833	\$ 125,675,740	\$ 1,402,839

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Major					Nonmajor	
	General Fund	Education Capital Project Fund	General Capital Projects Fund	Multi-Year Grant Ordinance Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	\$ 43,269,088	\$ 26,034,367	\$ 4,052,564	\$ -	\$ -	\$ 2,314,620	\$ 75,670,639
Taxes receivable, net	94,742	-	-	-	-	11,669	106,411
Accounts receivable, net	1,062,262	-	-	-	3,599,876	11,224	4,673,362
Lease receivable	318,090	-	-	-	-	-	318,090
Long-term receivable	3,658,915	-	-	-	-	-	3,658,915
Due from other funds	557,529	-	-	-	-	-	557,529
Due from other governments	5,144,932	1,240,609	-	2,882,593	-	40,479	9,308,613
Inventories	24,975	-	-	-	-	-	24,975
Prepaid items	600,667	-	-	2,260,162	-	-	2,860,829
Cash and investments, restricted	90,821	-	7,652,669	-	1,345,298	108,367	9,197,155
Total assets	<u>\$ 54,822,021</u>	<u>\$ 27,274,976</u>	<u>\$ 11,705,233</u>	<u>\$ 5,142,755</u>	<u>\$ 4,945,174</u>	<u>\$ 2,486,359</u>	<u>\$ 106,376,518</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 3,748,572	\$ 709,976	\$ 104,604	\$ 346,343	\$ -	\$ -	\$ 4,909,495
Due to other funds	-	-	-	557,529	-	-	557,529
Due to component unit	238,845	-	-	-	-	-	238,845
Due to other governments	-	-	-	-	-	11,224	11,224
Unearned revenue	-	1,240,608	-	30,000	-	-	1,270,608
Advances from grantors	90,821	-	7,000,000	2,424,527	-	-	9,515,348
Prepaid fees	308,175	-	-	-	-	-	308,175
Total liabilities	<u>4,386,413</u>	<u>1,950,584</u>	<u>7,104,604</u>	<u>3,358,399</u>	<u>-</u>	<u>11,224</u>	<u>16,811,224</u>
Deferred Inflows of Resources:							
Unavailable revenues	-	-	-	-	3,599,876	-	3,599,876
Leases	316,244	-	-	-	-	-	316,244
Property taxes receivable	94,742	-	-	-	-	11,669	106,411
Prepaid taxes	25,067	-	-	-	-	1,906	26,973
Total deferred inflows of resources	<u>436,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,599,876</u>	<u>13,575</u>	<u>4,049,504</u>
Fund Balances:							
Non-spendable, not in spendable form:							
Inventories	24,975	-	-	-	-	-	24,975
Prepaid items	600,667	-	-	2,260,162	-	-	2,860,829
Lease receivable	1,846	-	-	-	-	-	1,846
Long-term receivable	3,658,915	-	-	-	-	-	3,658,915
Perpetual maintenance	-	-	-	-	-	108,367	108,367
Restricted:							
Stabilization by state statute	6,764,723	-	-	2,882,593	-	51,703	9,699,019
Restricted, all other	1,159,318	-	-	-	1,345,298	2,312,714	4,817,330
Committed	2,010,530	25,324,392	4,600,629	-	-	-	31,935,551
Assigned	19,966,020	-	-	-	-	-	19,966,020
Unassigned	15,812,561	-	-	(3,358,399)	-	(11,224)	12,442,938
Total fund balances	<u>49,999,555</u>	<u>25,324,392</u>	<u>4,600,629</u>	<u>1,784,356</u>	<u>1,345,298</u>	<u>2,461,560</u>	<u>85,515,790</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 54,822,021</u>	<u>\$ 27,274,976</u>	<u>\$ 11,705,233</u>	<u>\$ 5,142,755</u>	<u>\$ 4,945,174</u>	<u>\$ 2,486,359</u>	<u>\$ 106,376,518</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Total Governmental Funds</u>
Total fund balances	\$ 85,515,790
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	42,931,666
Net pension asset	49,984
Net pension liability - LGERS	(13,851,249)
Total pension liability - LEOSSA	(2,760,106)
Total OPEB liability	(2,562,745)
Assets and liabilities of the Internal Service Fund used by management to account for insurance costs are included in governmental activities in the Statement of Net Position	3,524,860
Deferred outflows of resources related to pensions are not reported in the funds.	9,255,187
Deferred inflows of resources related to pensions are not reported in the funds.	(479,606)
Deferred outflows of resources related to OPEB are not reported in the funds.	427,727
Liabilities for earned, but deferred, inflows of resources in fund statements	3,706,287
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and installment financing	(5,830,325)
Lease liabilities	(229,180)
Subscription liabilities	(110,243)
Compensated absences	(1,403,113)
Interest payable	(19,027)
Net position of governmental activities	<u>\$ 118,165,907</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Major				Nonmajor		Total Governmental Funds
	General Fund	Education Capital Project Fund	General Capital Projects Fund	Multi-Year Grant Ordinance Fund	Opioid Settlement Fund	Other Governmental Funds	
Revenues:							
Ad valorem taxes	\$ 43,844,710	\$ -	\$ -	\$ -	\$ -	\$ 3,246,935	\$ 47,091,645
Local option sales taxes	11,608,513	-	-	-	-	3,083,973	14,692,486
Other taxes and licenses	3,214,438	-	-	-	-	-	3,214,438
Unrestricted intergovernmental revenues	646,302	-	-	-	-	-	646,302
Restricted intergovernmental revenues	6,390,668	-	-	1,132,899	879,684	281,415	8,684,666
Permits and fees	936,610	-	-	-	-	-	936,610
Sales and services	4,240,139	-	-	-	-	161,677	4,401,816
Donations and grants	158,742	-	-	-	-	14,599	173,341
Interest earned on investments	2,157,829	1,186,268	370,766	-	40,778	288,189	4,043,830
Miscellaneous	833,301	-	-	-	-	-	833,301
Total revenues	<u>74,031,252</u>	<u>1,186,268</u>	<u>370,766</u>	<u>1,132,899</u>	<u>920,462</u>	<u>7,076,788</u>	<u>84,718,435</u>
Expenditures:							
Current:							
General government	10,061,075	-	-	-	-	110,457	10,171,532
Public safety	21,985,362	-	3,864,059	-	-	3,492,494	29,341,915
Transportation	721,629	-	-	-	-	-	721,629
Economic and physical development	3,219,376	-	-	735,152	-	-	3,954,528
Human services	10,847,129	-	-	520,088	-	53,510	11,420,727
Cultural and recreational	2,530,942	-	-	-	-	-	2,530,942
Intergovernmental:							
Education	15,317,909	2,931,716	-	-	-	-	18,249,625
Debt service:							
Principal repayments	839,393	-	-	-	-	-	839,393
Interest	205,062	-	-	-	-	-	205,062
Total expenditures	<u>65,727,877</u>	<u>2,931,716</u>	<u>3,864,059</u>	<u>1,255,240</u>	<u>-</u>	<u>3,656,461</u>	<u>77,435,353</u>
Revenues over (under) expenditures	<u>8,303,375</u>	<u>(1,745,448)</u>	<u>(3,493,293)</u>	<u>(122,341)</u>	<u>920,462</u>	<u>3,420,327</u>	<u>7,283,082</u>
Other Financing Sources (Uses):							
Subscription liabilities issued	20,752	-	-	-	-	-	20,752
Transfers in	1,153,516	2,934,143	-	1,984,803	-	-	6,072,462
Transfers out	(2,550,800)	-	-	-	-	(3,253,084)	(5,803,884)
Long-term debt issued	-	-	5,500,000	-	-	-	5,500,000
Sale of surplus assets	92,679	-	-	-	-	-	92,679
Total other financing sources (uses)	<u>(1,283,853)</u>	<u>2,934,143</u>	<u>5,500,000</u>	<u>1,984,803</u>	<u>-</u>	<u>(3,253,084)</u>	<u>5,882,009</u>
Net change in fund balances	7,019,522	1,188,695	2,006,707	1,862,462	920,462	167,243	13,165,091
Fund Balances:							
Beginning of year - July 1	<u>42,980,033</u>	<u>24,135,697</u>	<u>2,593,922</u>	<u>(78,106)</u>	<u>424,836</u>	<u>2,294,317</u>	<u>72,350,699</u>
End of year - June 30	<u>\$ 49,999,555</u>	<u>\$ 25,324,392</u>	<u>\$ 4,600,629</u>	<u>\$ 1,784,356</u>	<u>\$ 1,345,298</u>	<u>\$ 2,461,560</u>	<u>\$ 85,515,790</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 13,165,091
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues/expenditures in the funds.	(966,503)
Expenses related to interest expense that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(13,632)
Pension expense - LEOSSA	(128,857)
Pension expense - LGERS	(1,255,441)
Pension expense - ROD	(5,509)
OPEB plan expense	328,618
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds statement.	(77,016)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	5,310,856
Depreciation and amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,631,530)
Debt principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	839,393
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.	(5,520,752)
Net revenue (loss) of internal service funds determined to be governmental type	<u>467,472</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 9,512,190</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND AND THE ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			
	Budgeted Amounts			Variance with Final Budget Over/Under
	Original	Final	Actual	
Revenues:				
Ad valorem taxes	\$ 43,127,727	\$ 44,080,077	\$ 43,844,710	\$ (235,367)
Local option sales taxes	12,424,262	12,424,262	11,608,513	(815,749)
Other taxes and licenses	3,546,458	3,546,458	3,214,438	(332,020)
Unrestricted intergovernmental revenues	546,000	546,000	646,302	100,302
Restricted intergovernmental revenues	7,271,806	7,638,321	6,390,668	(1,247,653)
Permits and fees	869,409	874,409	936,610	62,201
Sales and services	4,004,054	4,007,605	4,240,139	232,534
Investment earnings	771,306	771,306	2,157,829	1,386,523
Donations	49,000	53,000	158,742	105,742
Miscellaneous	578,914	583,914	833,301	249,387
Total revenues	73,188,936	74,525,352	74,031,252	(494,100)
Expenditures:				
Current:				
General government	12,740,293	11,041,259	10,061,075	980,184
Public safety	21,278,794	24,145,836	21,985,362	2,160,474
Transportation	683,706	840,045	721,629	118,416
Economic and physical development	3,414,875	3,546,844	3,219,376	327,468
Human services	11,767,091	12,179,328	10,847,129	1,332,199
Cultural and recreational	2,604,028	2,740,974	2,530,942	210,032
Intergovernmental:				
Education	15,137,112	15,317,912	15,317,909	3
Debt service:				
Principal retirement	612,093	612,093	839,393	(227,300)
Interest and fees	55,591	55,591	205,062	(149,471)
Total expenditures	68,293,583	70,479,882	65,727,877	4,752,005
Revenues over (under) expenditures	4,895,353	4,045,470	8,303,375	4,257,905
Other Financing Sources (Uses):				
Subscription liabilities issued	-	-	20,752	20,752
Transfers in	2,172,936	1,153,516	1,153,516	-
Transfers out	(7,185,925)	(6,516,005)	(2,550,800)	3,965,205
Assigned and committed funds	(1,670,000)	(1,800,000)	-	1,800,000
Sale of capital assets	20,000	20,000	92,679	72,679
Appropriated fund balance	1,767,636	3,097,019	-	(3,097,019)
Total other financing sources (uses)	(4,895,353)	(4,045,470)	(1,283,853)	2,761,617
Net change in fund balance	\$ -	\$ -	7,019,522	\$ 7,019,522
Fund Balance:				
Beginning of year - July 1			42,980,033	
End of year - June 30			\$ 49,999,555	

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND AND THE ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Opioid Settlement Fund			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Over/Under
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental revenues	-	-	-	-
Restricted intergovernmental revenues	-	-	879,684	879,684
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	40,778	40,778
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	920,462	920,462
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:				
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	920,462	920,462
Other Financing Sources (Uses):				
Subscription liabilities issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Assigned and committed funds	-	-	-	-
Sale of capital assets	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	920,462	\$ 920,462
Fund Balance:				
Beginning of year - July 1			424,836	
End of year - June 30			\$ 1,345,298	

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Self-Insurance Fund
Assets:		
Current assets:		
Cash and investments	\$ 3,895,668	\$ 4,073,313
Accounts receivable, net	152,257	-
Due from other governments	1,869,925	-
Cash and investments, restricted	6,994,202	-
Total current assets	12,912,052	4,073,313
Capital assets:		
Land and other non-depreciable assets	1,560,165	-
Depreciable assets, net of depreciation	2,131,330	-
Capital assets, net	3,691,495	-
Total assets	16,603,547	4,073,313
Deferred Outflows of Resources:		
Pension deferrals	454,653	-
OPEB deferrals	22,512	-
Total deferred outflows of resources	477,165	-
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	167,680	580,845
Current portion of compensated absences	42,174	-
Current portion of total OPEB liability	7,400	-
Current portion of long-term liabilities	30,595	-
Total current liabilities	247,849	580,845
Non-current liabilities:		
Accrued landfill closure and post-closure care costs	8,408,926	-
Total OPEB liability	127,481	-
Compensated absences	7,443	-
Net pension liability	729,013	-
Total non-current liabilities	9,272,863	-
Total liabilities	9,520,712	580,845

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Self-Insurance Fund
Deferred Inflows of Resources:		
Pension deferrals	17,775	-
Net Position:		
Net investment in capital assets	3,660,900	-
Unrestricted	3,881,325	3,492,468
Total net position	7,542,225	\$ 3,492,468
Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds change	(32,392)	
Ending net position of business-type activities	\$ 7,509,833	

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Self-Insurance Fund
Operating Revenues:		
Charges for services	\$ 2,756,478	\$ 5,851,840
Operating Expenses:		
Landfill operations:		
Salaries and employee benefits	1,526,696	-
Landfill closure and post-closure care costs	477,853	-
Other operating expenses	1,382,521	6,097,831
Depreciation and amortization	444,774	-
Total operating expenses	3,831,844	6,097,831
Operating income (loss)	(1,075,366)	(245,991)
Non-Operating Revenues (Expenses):		
Investment earnings	524,337	207,767
Other non-operating expenses	(1,433,618)	-
Other non-operating revenues	88,822	-
Interest and other charge	(1,556)	-
Total non-operating revenues (expenses)	(822,015)	207,767
Income (loss) before capital contributions and transfers	(1,897,381)	(38,224)
Capital Contributions and Transfers In (Out):		
Transfers in	1,185,925	530,300
Transfers out	(1,984,803)	-
Capital contributions	1,307,238	-
Total transfers in (out)	508,360	530,300
Change in net position	(1,389,021)	492,076
Net Position:		
Beginning of year - July 1	8,874,250	3,000,392
End of year - June 30	7,485,229	\$ 3,492,468
Adjustment to reflect the consolidation of Internal Service Fund	24,604	
Change in net position	\$ (1,364,417)	

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities Enterprise Fund Solid Waste Fund	Governmental Activities Internal Service Fund Self-Insurance Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ 1,491,820	\$ -
Cash received from interfund services provided	-	5,851,840
Cash paid for goods and services	(1,793,118)	(6,024,099)
Cash paid from other sources	(1,419,368)	-
Cash paid to employees for services	(1,382,738)	-
Net cash provided (used) by operating activities	<u>(3,103,404)</u>	<u>(172,259)</u>
Cash Flows from Non-Capital Financing Activities:		
Solid waste disposal tax	88,822	-
Interfund transfer in (out)	(798,878)	530,300
Net cash provided (used) by non-capital financing activities	<u>(710,056)</u>	<u>530,300</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(486,169)	-
Capital contributions	1,307,238	-
Principal paid on long-term debt	(39,746)	-
Net cash provided (used) by capital and related financing activities	<u>781,323</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>522,781</u>	<u>207,767</u>
Net increase (decrease) in cash and cash equivalents	(2,509,356)	565,808
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>13,399,226</u>	<u>3,507,505</u>
End of year - June 30	<u>\$ 10,889,870</u>	<u>\$ 4,073,313</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (1,075,366)	\$ (245,991)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Miscellaneous expense	(1,419,368)	-
Depreciation and amortization	444,774	-
Landfill closure and post-closure care costs	477,853	-
(Increase) decrease in accounts receivable	13,187	-
(Increase) decrease in due from other governments	(1,277,845)	-
Increase (decrease) in accounts payable and accrued liabilities	(321,066)	73,732
(Increase) decrease in deferred outflows of resources for pensions	1,300	-
(Increase) decrease in deferred outflows of resources for OPEB	(5,821)	-
Increase (decrease) in total pension liability	49,870	-
Increase (decrease) in OPEB	(11,475)	-
Increase (decrease) in deferred inflows of resources for pensions	14,906	-
Increase (decrease) in accrued compensated absences	<u>5,647</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (3,103,404)</u>	<u>\$ (172,259)</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION **FIDUCIARY FUNDS** **JUNE 30, 2024**

	Custodial Funds
Assets:	
Cash and investments	\$ 128,460
Taxes receivable from other governments, net	648
Accounts receivable and accrued revenues	<u>28,718</u>
Total assets	<u>157,826</u>
Liabilities:	
Intergovernmental payables	<u>28,437</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 129,389</u>

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
Additions:	
Ad valorem taxes for other governments	\$ 480,533
Collections on behalf of others	181,968
Total additions	<u>662,501</u>
Deductions:	
Tax distributions to other governments	464,524
Payments on behalf of others	167,107
Total deductions	<u>631,631</u>
Net increase (decrease) in fiduciary net position	30,870
Net Position:	
Beginning of year - July 1	<u>98,519</u>
End of year - June 30	<u>\$ 129,389</u>

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

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TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies

The accounting policies of Transylvania County (the “County”) conform to generally accepted accounting principles as they apply to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County. The discretely presented component unit, the Transylvania County Tourism Development Authority, presented below is reported in a separate column in the County’s financial statements in order to emphasize that it is legally separate from the County.

Component Unit

Discretely Presented Component Unit

Transylvania County Tourism Development Authority

Transylvania County is authorized by General Statute 153A-10 to collect an occupancy tax of 5 percent, on behalf of the Transylvania County Tourism Development Authority (the “TDA”), on gross revenues from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the County that is subject to sales tax imposed by the state under G.S. 105-164.4(a)(3) and from the rental of private residences and cottages within the County except those that are exempt from the sales tax imposed under G.S. 105-164.4(a)(3) solely because they are rented for less than 15 days or for 90 or more continuous days to the same person. Gross proceeds of the tax are collected by Transylvania County and are remitted to the TDA. The TDA, which has a June 30 year-end, is presented as if it were a governmental fund type. The County is financially accountable for the TDA, which is reported as a discrete component unit separate from the financial information of the primary government. The Transylvania County Commissioners, City Council, and Brevard Chamber of Commerce appoint the governing board of the TDA, and the TDA operates within the County’s boundaries for the benefit of the County’s residents. The County Commissioners appoint the majority of the Board. Complete financial statements for the TDA may be obtained from the Director of Finance, Transylvania County, 101 South Broad Street, Brevard, North Carolina 28712.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government (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 except for interfund services provided and used, which are not eliminated in

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Governmental Funds. Governmental funds are used to account for the County's general governmental activities.

The County reports the following major governmental funds:

General Fund. The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund also accounts for funds designated for the Law Enforcement Officers' Separation Allowance, the post-employment health benefits, and the 457 deferred compensation plan.

Education Capital Project Fund. This fund accounts for funds that were established for managing the financial affairs of capital projects that renovate or construct educational facilities pursuant to NC G.S. 159-18.

General Capital Projects Fund. This fund accounts for funds that were established for managing the financial affairs of capital projects that renovate or construct government facilities pursuant to NC G.S. 159-18.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Multi-Year Grant Ordinance Fund. This special revenue fund accounts for funds received from the Local Fiscal Recovery Funds appropriated to the County by the American Rescue Plan Act (U.S. Public Law 117-2).

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

Proprietary Funds

Enterprise Funds. The enterprise funds are used to account for those operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the 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 is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has the following major Enterprise Fund: Solid Waste Fund – for the operation, maintenance, and development of various landfills and disposal sites. For reporting purposes, the Water and Sewer Development Fund has been consolidated with the Solid Waste Fund.

Internal Service Fund – Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other governmental units on a cost reimbursement basis. The measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles here are those applicable to similar businesses in the private sector and, thus, these funds are maintained on the accrual basis. The County maintains one internal service fund, the Self-Insurance Internal Service Fund, which is self-insured.

The County reports the following additional fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefits) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for monies levied by the County's municipalities and collected or received on their behalf by the County, the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collection for the benefit of inmates from their friends and families, and the Cooperative Extension Fund which accounts for funds held by County for employees of North Carolina State University's Cooperative Extension Division.

The County reports the following nonmajor governmental funds:

Fire Districts Fund. This special revenue fund accounts for the ad valorem tax levies of the eight fire districts in Transylvania County.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Emergency Telephone System Fund. This special revenue fund accounts for the 911 revenues collected by the North Carolina 911 Board to fund the 911 emergency system.

Narcotics Task Force Fund. This special revenue fund accounts for the revenues received that are restricted for use by law enforcement.

Representative Payee Fund. This special revenue fund accounts for the monies or disbursements received pursuant to that program.

Fines and Forfeitures Fund. This special revenue fund accounts for the monies or disbursements received as court-ordered fines and forfeitures.

State Deed Fee Fund. This special revenue fund accounts for the monies or disbursements received that are collected by the Register of Deeds and due to the state of North Carolina.

Capital Reserve Fund. This fund accounts for the monies received for various education projects of the County.

Permanent Fund – Silvermont Reserve Fund. Pursuant to the authority granted by the North Carolina Session Law of 1981, Chapter 403, the County adopted an ordinance creating a perpetual recreation trust fund. The fund is authorized to receive undesignated gifts, grants, and bequests of tangible and intangible properties. The principal of the fund shall constitute a perpetual trust fund, and no part of the original principal shall be expended for any purpose.

C. Measurement Focus and Basis of Accounting

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

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

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's 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/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Fire Districts Fund, the Emergency Telephone Systems Fund, the Narcotics Task Force Fund, the Representative Payee Fund, the Fines and Forfeitures Fund, the Opioid Settlement Fund, the State Deed Fee Fund, the Capital Reserve Fund, the Silvermont Reserve Fund and the Solid Waste Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Education Capital Project Fund, the General Capital Projects Fund, the Multi-Year Grant Ordinance Fund, and the Water and Sewer Development Fund. The County's Self Insurance Plan operates under a financial plan that was adopted by the governing board at the time the County's budget ordinance was approved, as is required by the General Statutes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the functional level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change departmental appropriations. The governing board must approve all amendments that add additional revenues and expenditures to the ordinance and all transfers between functional departments of the County that exceed \$5,000. 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 that time until the annual ordinance can be adopted.

E. 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 and depreciation lives.

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

Deposits and Investments

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

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NCCMT Government Portfolio, an SEC-registered (2a-7) government money market mutual fund that invests in treasuries, governmental agencies, and repurchase agreements collateralized by treasuries and is measured at fair value. The North Carolina Cooperative Liquid Assets Securities System (“North Carolina CLASS”) is an investment pool authorized by North Carolina General Statutes 159-30(c)(10) and was established by an Interlocal Agreement dated March 1, 2023, as amended, by the local governments pursuant to G.S. 160A-460 through G.S. 160A-464. The investments within North Carolina CLASS are limited to those qualifying for investment under G.S. 159-30(c).

Cash and Cash Equivalents

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

Restricted Assets

Business-type activities report amounts set aside for the future estimated costs of closure and post-closure of the County’s two landfills as restricted assets in the Enterprise Fund. As of June 30, 2024, \$6,994,202 was restricted.

Governmental Activities. The advance from grantors of \$90,821 and \$7,000,000 in the General Fund and General Capital Projects Fund, respectively, represent funds restricted by the grantor for specified expenditures that have not been spent. The \$1,345,298 in the Opioid Settlement Fund represents unexpended settlement proceeds. The restricted cash of \$108,367 in the Silvermont Reserve Fund represent funds restricted by donors. The \$652,669 in the General Capital Projects Fund represents unspent debt proceeds restricted for the purpose for which the debt was originally issued.

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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2023.

Lease Receivable

The County’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 20% of the outstanding receivable balance.

Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. If significant, the amount of inventory on hand at year end is reported on the balance sheet in the governmental funds. However, in the Government-wide Statement of Activities the cost of these inventories is expensed as the items are used.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. Minimum capitalization costs are \$5,000 for all land, buildings, improvements, furniture, equipment, and vehicles. 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 Transylvania County Board of Education properties, which has been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities and provide that the County will convey title to the property back to the Board of Education once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

<u>Assets</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements	10-50 years
Furniture and equipment	5-15 years
Landfill cells	5-15 years
Vehicles	6 years
Computer equipment	5 years

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

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

The right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right-to-use subscription assets should be amortized on a straight-line basis over the subscription term.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net 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 two items that meet this criterion – pension and OPEB related deferrals.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

In addition to liabilities, the Statement of Net 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 several items that meet the criteria for this category –property taxes receivable, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), prepaid taxes, lease deferrals, and pension related deferrals.

Opioid Settlement Funds

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

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

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

As of June 30, 2024, the County has received \$1,295,142 as part of this settlement. 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 30, 2024. 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.

Long-Term Obligations

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

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

Net Position/Fund Balance

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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:

Non-Spendable 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.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid Items – portion of fund balance that is not an available resource because it represents prepaid amounts, which are not spendable resources.

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

Long-Term Note Receivable – portion of fund balance that is not an available resource because it represents amount not expected to be converted to cash during the subsequent fiscal year.

Perpetual Maintenance – cash donations held in the Silvermont Reserve Permanent Fund.

Restricted Fund Balance. This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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 non-

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

spendable. 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 Donor Intent – portion of fund balance restricted by revenue source for donor intent purposes.

Restricted for Court Facilities – portion of fund balance restricted by revenue source for operational expenditures of the court.

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as law enforcement and EMS.

Restricted for Fire Departments – portion of fund balance restricted by revenue source for fire protection.

Restricted for Emergency Telephone System – portion of fund balance restricted by revenue source for E-911 communications.

Restricted for Health Department Programs – portion of fund balance restricted by revenue source for public health programs.

Restricted for Social Services – portion of fund balance restricted by revenue source for social services programs.

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

Restricted for General Government – portion of fund balance that is restricted for general government expenditures.

Restricted for Recreation Endowment – portion of fund balance restricted by revenue source for use for parks, libraries, arts, and other related activities.

Restricted fund balance per Exhibit C differs from Restricted Net Position per Exhibit A by unspent debt proceeds of \$652,669, Register of Deeds pension plan of \$49,984, and permanently restricted for perpetual maintenance – non-expendable of \$108,367, for a total difference of \$468,863.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Restricted fund balance at June 30, 2024 is as follows:

Purpose	General Fund	Opioid Settlement Fund	Nonmajor Special Revenue Funds	Permanent Funds	Total
Restricted, All Other:					
Court facilities	\$ 58,183	\$ -	\$ -	\$ -	\$ 58,183
General government	-	-	2,201	-	2,201
Donor intent	333,763	-	-	-	333,763
Public safety	652,669	-	78,012	-	730,681
Fire departments	-	-	1,231,234	-	1,231,234
Emergency telephone system	-	-	730,454	-	730,454
Health department programs	100,000	-	-	-	100,000
Social services	14,703	-	-	-	14,703
Health services	-	1,345,298	5,333	-	1,350,631
Recreation endowment	-	-	-	265,480	265,480
Total	\$ 1,159,318	\$ 1,345,298	\$ 2,047,234	\$ 265,480	\$ 4,817,330

Committed Fund Balance. This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Public Safety – portion of fund balance committed by the governing body for public safety expenditures.

Committed for Public School Capital Projects – portion of fund balance committed by the governing body for general capital projects.

Committed for Law Enforcement Officers' Separation Allowance – portion of fund balance committed by the governing body for the Law Enforcement Officers' Separation Allowance obligations.

Purpose	General Fund	Education Capital Project Fund	General Capital Projects Fund	Total
Committed:				
Public school capital projects	\$ -	\$ 25,324,392	\$ -	\$ 25,324,392
Public safety	-	-	4,600,629	4,600,629
Law Enforcement Officers' Special Separation Allowance	2,010,530	-	-	2,010,530
Total	\$ 2,010,530	\$ 25,324,392	\$ 4,600,629	\$ 31,935,551

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Assigned Fund Balance. Assigned fund balance is the portion of fund balance that Transylvania County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager, as granted in the officially adopted budget ordinance, has 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 the Finance Officer to make certain modifications without requiring Board approval.

Assigned for Employee Health Insurance – portion of fund balance that has been budgeted by the Board for self-insurance.

Assigned for Accrued Vacation – portion of fund balance that has been budgeted by the Board for compensated absences.

Assigned for Capital Improvement Plan – portion of fund balance that has been budgeted by the Board for capital improvement projects.

Assigned for Special Projects – portion of fund balance that has been budgeted by the Board for special projects.

Assigned for Public Safety Projects – portion of fund balance that has been budgeted by the Board for public safety 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 for river clean-up.

Assigned for Recreation Programs and Facilities – portion of fund balance budgeted by the Board for use for parks, libraries, arts, and other related activities.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Assigned fund balance at June 30, 2024 is as follows:

Purpose	General Fund
Assigned:	
Subsequent year's expenditures	\$ 2,004,859
Employee health insurance	1,000,000
Accrued vacation	2,323,719
Capital improvement plan	11,814,500
Special projects	1,257,764
Public safety projects	133,385
Economic and physical development	1,390,793
Environmental protection	35,000
Recreation programs and facilities	6,000
Total	<u>\$ 19,966,020</u>

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Transylvania County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: 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.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 49,999,555
Less:	
Prepays	(600,667)
Inventories	(24,975)
Lease receivable	(1,846)
Long-term note receivable	(3,658,915)
Stabilization by state statute	<u>(6,764,723)</u>
Total available fund balance	<u>\$ 38,948,429</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Defined Benefit Cost-Sharing 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), (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset (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. Investments are reported at fair value.

G. Revenues, Expenditures, and Expenses

Compensated Absences

The vacation policy of the County provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but 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 does not have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Claims

The County is self-insured for health coverage for its employees. These claims are paid weekly by the County through its agent. The County's policy is to record claims incurred, but not yet reported, if material.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2. Stewardship, Compliance, and Accountability

Significant Violations of Finance-Related Legal and Contractual Provisions

Excess of Expenditures over Appropriations

Excess of expenditures over appropriations are in violation of state law [GS159-28(b)]. Violations for the year ended June 30, 2024 are as follows:

General Fund:	
Debt service	\$ (376,771)
Sheriff and Jail	(10,141)
Nonmajor Funds:	
State Deed Fee Special Revenue Fund	(2,878)
Fire Districts Fund	(24,224)

Non-Compliance with North Carolina General Statutes

N.C. General Statute 159-34 requires the County to have an audit as soon as possible after the close of each fiscal year. The 2024 audit was delayed due to significant employee turnover in key finance personnel. See corrective action plan at finding 2024-001.

N.C. General Statute 116B-53(c) subpart 12, states that property is presumed abandoned if it is unclaimed by the apparent owner after one year of the property becoming distributable. N.C. General Statute 116B-60 states that a holder of property presumed abandoned shall make a report to the Treasurer concerning the property. The County did not properly follow the required escheat process for fiscal year 2024. See corrective action plan at finding 2024-003.

3. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2024, the County's deposits had a carrying amount of \$5,050,146 and a bank balance of \$4,859,663. Of the bank balance, \$450,080 was covered by federal depository insurance and \$4,409,583 by collateral held under the Pooling Method. Cash on hand was \$3,906 at June 30, 2024.

Investments

At June 30, 2024, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-3 Years</u>
NC Capital Management				
Trust Government Portfolio	Fair Value - Level 1	\$ 31,882,920	\$ 31,882,920	N/A
U.S. Treasuries	Fair Value - Level 1	6,994,202	1,688,265	\$ 5,744,093
NC CLASS	Fair Value - Level 1	56,028,263	56,028,263	N/A
Total		<u>\$ 94,905,385</u>	<u>\$ 89,599,448</u>	<u>\$ 5,744,093</u>

The North Carolina Capital Management Trust (NCCMT) Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than six (6) months.

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

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) inactive markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. To best mitigate against credit risk, the County requires a diversification of investments. The County's investments carried the following credit ratings as of June 30, 2024.

<u>Investment</u>	<u>S & P</u>	<u>Moody's</u>	<u>Investment Type</u>
NC Capital Management			NC Capital Management
Trust Government Portfolio	AAAm	AAA-mf	Trust Government Portfolio
US Treasury Note	AAA	Aaa	Government agencies
North Carolina Investment Pool	AAAm	-	Government agencies
NC CLASS	AAAm	-	Government agencies

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. Interest accrues at the rate of 8 percent per year. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Ended</u>				
<u>June 30</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>	
2021	\$ 1,542,665	\$ 123,413	\$ 1,666,078	
2022	1,352,988	108,239	1,461,227	
2023	2,560,982	124,879	2,685,861	
2024	1,580,022	-	1,580,022	
Total	<u>\$ 7,036,657</u>	<u>\$ 356,531</u>	<u>\$ 7,393,188</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Receivables

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

	Accounts Receivable	Taxes Receivable	Lease Receivable	Due from Other Governments	Total
Governmental Activities:					
General	\$ 1,062,262	\$ 236,270	\$ 318,090	\$ 5,144,932	\$ 6,761,554
Other governmental	3,611,100	21,156	-	4,163,681	7,795,937
Total receivables	4,673,362	257,426	318,090	9,308,613	14,557,491
Allowance for doubtful accounts	-	(151,015)	-	-	(151,015)
Total governmental activities	<u>\$ 4,673,362</u>	<u>\$ 106,411</u>	<u>\$ 318,090</u>	<u>\$ 9,308,613</u>	<u>\$ 14,406,476</u>
Custodial funds					
Custodial funds	\$ -	\$ 1,138	\$ -	\$ 28,718	\$ 29,856
Allowance for doubtful accounts	-	(490)	-	-	(490)
Total custodial funds	<u>\$ -</u>	<u>\$ 648</u>	<u>\$ -</u>	<u>\$ 28,718</u>	<u>\$ 29,366</u>
Business-Type Activities:					
Solid waste	\$ 159,198	\$ -	\$ -	\$ 1,869,925	\$ 2,029,123
Allowance for doubtful accounts	(6,941)	-	-	-	(6,941)
Total business-type activities	<u>\$ 152,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,869,925</u>	<u>\$ 2,022,182</u>

Lease Receivable

On July 1, 2021, the County entered into a 60-month lease as lessor for the use of the County's communications towers by Verizon, Inc. An initial lease receivable was recorded in the amount of \$87,089. As of June 30, 2024, the value of the lease receivable is \$161,031. The lessee is required to make monthly fixed payments of \$3,265 during the year ended June 30, 2024, with an escalation of 3% for each future fiscal year. The lease has an interest rate of 2.9400%. The value of the deferred inflow as of June 30, 2024 was \$159,680 and the County recognized lease revenue of \$37,821 during the fiscal year. The lessee has an extension option for 60 months.

On July 1, 2021, the County entered into a 60-month lease as lessor for the use of the County's communication towers by US Cellular, Co. An initial lease receivable was recorded in the amount of \$86,089. As of June 30, 2024, the value of the lease receivable is \$157,059. The lessee is required to make monthly fixed payments of \$2,851 with a 3% escalation at the beginning of each calendar year. The lease has an interest rate of 2.4900%. The value of the deferred inflow as of June 30, 2024 was \$156,564 and the County recognized lease revenue of \$34,297 during the fiscal year. The lessee has one extension option for 60 months.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Governmental Activities:

Local option sales tax	\$ 3,516,588
Sales taxes receivable	1,079,375
NCDHHS	341,719
NCDMV Motor vehicle taxes	220,440
NC 911	23,451
NC Lottery	1,240,609
NC Dept. of Public Safety	2,404,527
Other agencies	<u>481,904</u>
Total governmental activities	<u>\$ 9,308,613</u>

Custodial Funds:

Other intergovernmental receivable	<u>\$ 28,718</u>
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Business-Type Activities:

NCDOR	\$ 25,378
NCDEQ	<u>1,844,547</u>
Total business-type activities	<u>\$ 1,869,925</u>

Notes Receivable

The County issued a note receivable on November 14, 2017, in the amount of \$4,700,000 at 0% interest, pursuant to an agreement entered into by the County, the City of Brevard and the Transylvania Economic Alliance for the expansion of economic development opportunities within the City of Brevard and Transylvania County. Total principal of the note receivable, if not paid sooner, is due on November 14, 2037, unless building is sold by the Alliance at which time total principal is due upon sale. The amount outstanding at June 30, 2024 is \$3,658,915.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets

A summary of changes in the County's governmental capital assets is as follows:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Non-Depreciable/ Amortizable Assets:				
Land	\$ 3,976,648	\$ -	\$ -	\$ 3,976,648
Construction in progress	1,374,404	3,728,379	-	5,102,783
Total non-depreciable/ amortizable assets	<u>5,351,052</u>	<u>3,728,379</u>	<u>-</u>	<u>9,079,431</u>
Depreciable/Amortizable Assets:				
Buildings	46,878,076	382,324	-	47,260,400
Improvements	2,592,126	125,614	-	2,717,740
Equipment	8,650,925	250,203	-	8,901,128
Vehicles	7,921,667	803,584	(279,565)	8,445,686
Right-to-use lease assets	773,864	20,752	(163,855)	630,761
Subscription assets	196,178	-	-	196,178
Total depreciable/ amortizable assets	<u>67,012,836</u>	<u>1,582,477</u>	<u>(443,420)</u>	<u>68,151,893</u>
Less Accumulated Depreciation/Amortization:				
Buildings	17,092,055	1,166,125	-	18,258,180
Improvements	1,459,757	97,644	-	1,557,401
Equipment	7,372,430	423,611	-	7,796,041
Vehicles	5,738,417	672,245	(279,565)	6,131,097
Right-to-use lease assets	420,864	223,861	(163,855)	480,870
Subscription assets	28,025	48,044	-	76,069
Total accumulated depreciation/amortization	<u>32,111,548</u>	<u>2,631,530</u>	<u>(443,420)</u>	<u>34,299,658</u>
Depreciable/amortizable assets, net	<u>34,901,288</u>	<u>(1,049,053)</u>	<u>-</u>	<u>33,852,235</u>
Capital assets, net	<u>\$ 40,252,340</u>	<u>\$ 2,679,326</u>	<u>\$ -</u>	<u>\$ 42,931,666</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Depreciation/amortization expense was charged to functions/programs of the County as follows:

General government	\$ 746,549
Public safety	1,359,208
Transportation	47,054
Human services	174,839
Cultural and recreational	<u>303,880</u>
Total depreciation/amortization expense	<u>\$ 2,631,530</u>

A summary of changes in the County's business-type capital assets is as follows:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Solid Waste:				
Non-Depreciable/				
Amortizable Assets:				
Land	\$ 1,130,910	\$ -	\$ -	\$ 1,130,910
Construction in progress	<u>306,926</u>	<u>122,329</u>	<u>-</u>	<u>429,255</u>
Total non-depreciable/ amortizable assets	<u>1,437,836</u>	<u>122,329</u>	<u>-</u>	<u>1,560,165</u>
Depreciable/Amortizable Assets:				
Buildings	735,384	-	-	735,384
Land improvements	885,272	193,125	-	1,078,397
Equipment	3,133,886	170,715	-	3,304,601
Vehicles	1,358,368	-	-	1,358,368
Landfill cells - Woodruff	8,205,437	-	-	8,205,437
Right-to-use lease assets	<u>146,732</u>	<u>-</u>	<u>-</u>	<u>146,732</u>
Total depreciable/ amortizable assets	<u>14,465,079</u>	<u>363,840</u>	<u>-</u>	<u>14,828,919</u>
Less Accumulated				
Depreciation/Amortization:				
Buildings	343,754	46,729	-	390,483
Land improvements	665,813	31,264	-	697,077
Equipment	2,334,327	115,565	-	2,449,892
Vehicles	896,949	84,623	-	981,572
Landfill cells - Woodruff	7,933,715	127,464	-	8,061,179
Right-to-use lease assets	<u>78,257</u>	<u>39,129</u>	<u>-</u>	<u>117,386</u>
Total accumulated depreciation/amortization	<u>12,252,815</u>	<u>444,774</u>	<u>-</u>	<u>12,697,589</u>
Depreciable/amortizable assets, net	<u>2,212,264</u>			<u>2,131,330</u>
Capital assets, net	<u>\$ 3,650,100</u>			<u>\$ 3,691,495</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Construction Commitments

A summary of the remaining commitments on the County's open construction projects is as follows:

Project:		Remaining
Governmental Activities:	<u>Spent-to-date</u>	<u>Commitment</u>
EMS Base Project	\$ 5,021,966	\$ 47,122
Sylvan Valley Industrial Center Expansion	186,182	5,218,013
Emergency Management Tower	52,142	67,349
Total Governmental Activities	<u>\$ 5,260,290</u>	<u>\$ 5,332,484</u>

B. Liabilities

Payables

Payables at Exhibit A at June 30, 2024 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Due to Other Governments</u>	<u>Accrued Insurance Claims Incurred, But Not Reported</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,308,511	\$ 889,753	\$ -	\$ 550,308	\$ 3,748,572
Other governmental	1,741,768	-	11,224	-	1,752,992
Total governmental activities	<u>\$ 4,050,279</u>	<u>\$ 889,753</u>	<u>\$ 11,224</u>	<u>\$ 550,308</u>	<u>\$ 5,501,564</u>
Business-Type Activities:					
Solid waste	<u>\$ 132,576</u>	<u>\$ 35,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,680</u>

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide 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 (ACFR) for the state of North Carolina. The state's ACFR includes financial statements and required supplementary

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic 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, 2024, was 14.10% of compensation for law enforcement officers and 12.85% 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 \$2,849,756 for the year ended June 30, 2024.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

At June 30, 2024, the County reported a liability of \$14,580,262 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the County's proportion was 0.22014%, which was a decrease of 0.02063% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$4,171,274. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,624,673	\$ 34,976
Changes of assumptions	619,577	-
Net difference between projected and actual earnings on pension plan investments	3,902,316	-
Changes in proportion and differences between County contributions and proportionate share of contributions	96,737	320,522
County contributions subsequent to the measurement date	2,849,756	-
Total	<u>\$ 9,093,059</u>	<u>\$ 355,498</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$2,849,756 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 ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 2,206,605
2026	1,014,844
2027	2,501,346
2028	165,010
Total	<u>\$ 5,887,805</u>

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

Inflation	2.50 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan 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 and methods used in the December 31, 2022 actuarial valuation was based on the results of an actuarial experience study prepared as of December 31, 2019, and adopted by the Board of Trustees on January 28, 2021.

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 returns 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

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Sensitive	<u>6.0%</u>	2.7%
Total	<u>100.00%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	<u>\$ 25,259,732</u>	<u>\$ 14,580,262</u>	<u>\$ 5,787,923</u>

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 (ACFR) for the state of North Carolina.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Law Enforcement Officers' Special Separation Allowance

Plan Description. The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

The Separation Allowance covers all full-time law enforcement officers of the County. At June 30, 2022 valuation, the Separation Allowance's membership consisted of:

Retirees receiving benefits	14
Active plan members	<u>57</u>
Total	<u><u>71</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age normal, level percent of payroll actuarial cost method was used in the June 30, 2022 valuation. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.30 to 7.80 percent, including inflation and productivity factor
Discount rate	3.77 percent

Discount Rate – 3.77%. Pursuant to GASB 73, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Bond Buyer 20-Bond

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

GO index is often cited as an appropriate benchmark. That index was 3.77% on December 31, 2023. A discount rate of 4.05% was used at the prior measurement date.

The actuarial assumptions used in the June 30, 2022 were based on the results of an experience study completed for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Deaths Before Retirement: Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019.

Deaths After Retirement (Healthy): Pub-2010 Safety Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set forward 1 year and adjusted by 97% for all ages.

Deaths After Retirement (Disabled): Pub-2010 General Disabled Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set back 3 years.

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 \$213,854 as benefits came due for the reporting period.

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

At June 30, 2024, the County reported a total pension liability of \$2,760,106. The total pension liability was measured as of December 31, 2023 based on a June 30, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$343,249.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 364,328	\$ 29,743
Changes of assumptions	92,217	108,675
County benefit payments and plan administrative expense made subsequent to the measurement date	131,316	-
Total	<u>\$ 587,861</u>	<u>\$ 138,418</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The County paid \$131,316 in benefit payments made and administrative expenses subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 157,698
2026	102,462
2027	55,275
2028	2,692
Total	<u>\$ 318,127</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.77 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 (2.77 percent) or 1-percentage-point higher (4.77 percent) than the current rate:

	1% Decrease (2.77%)	Discount Rate (3.77%)	1% Increase (4.77%)
Total pension liability	\$ <u>2,960,070</u>	\$ <u>2,760,106</u>	\$ <u>2,576,990</u>

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

	2024
Beginning balance	\$ 2,757,992
Service cost	91,189
Interest on the total pension liability	106,707
Difference between expected and actual experience in the measurement of the total pension liability	(32,624)
Changes of assumptions or other inputs	50,696
Benefit payments	(213,854)
Ending balance of the total pension liability	<u>\$ 2,760,106</u>

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 4.05% at December 31, 2022 to 3.77% at December 31, 2023.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (the “Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The State’s ACFR 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 5 percent of each officer’s salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the Plan.

The County made contributions of \$235,486 for the reporting year. No amounts were forfeited.

Register of Deeds’ Supplemental Pension Fund

Plan Description. Transylvania County also contributes to the Registers of Deeds’ Supplemental Pension Fund (RODSPF), a non-contributory, 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 Governmental 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 (ACFR) for the state of North Carolina. The state’s ACFR 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.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 \$3,384 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$49,984 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2024, the County's proportion was 0.41594% (measured as of June 30, 2023), which was an increase of 0.00973% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$8,892. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,213
Net difference between projected and actual earnings on pension plan investments	25,389	-
Changes in proportion and differences between County contributions and proportionate share of contributions	147	1,252
County contributions subsequent to the measurement date	3,384	-
Total	<u>\$ 28,920</u>	<u>\$ 3,465</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$3,384 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 ending June 30, 2025. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2025	\$ 5,348
2026	7,751
2027	7,370
2028	1,602
2029	-
Thereafter	-
Total	<u>\$ 22,071</u>

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

Inflation	2.50 percent
Salary 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, 2022 valuation were based on the results of an actuarial experience review for LGERS for the period of January 1, 2015, through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 adopted asset allocation policy for the RODSPF is 99.9% 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, 2023 is 0.9%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ 34,120	\$ (49,984)	\$ 63,360

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 (ACFR) for the state of North Carolina.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of June 30, 2022. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 14,580,262	N/A	\$ (49,984)	\$ 14,530,278
Proportion of the net pension liability (asset)	0.22014%	N/A	0.41594%	-
Total pension liability	-	2,760,106	-	2,760,106
Pension expense	4,171,274	343,249	8,892	4,523,415

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 1,624,673	\$ 364,328	\$ -	\$ 1,989,001
Changes of assumptions	619,577	92,217	-	711,794
Net difference between projected and actual earnings on pension plan investments	3,902,316	-	25,389	3,927,705
Changes in proportion and differences between County contributions and proportionate share of contributions	96,737	-	147	96,884
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,849,756</u>	<u>131,316</u>	<u>3,384</u>	<u>2,984,456</u>
Total	<u>\$ 9,093,059</u>	<u>\$ 587,861</u>	<u>\$ 28,920</u>	<u>\$ 9,709,840</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 34,976	\$ 29,743	\$ 2,213	\$ 66,932
Changes of assumptions	-	108,675	-	108,675
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>320,522</u>	<u>-</u>	<u>1,252</u>	<u>321,774</u>
Total	<u>\$ 355,498</u>	<u>\$ 138,418</u>	<u>\$ 3,465</u>	<u>\$ 497,381</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Other Post-Employment Benefits

Healthcare Benefits

Plan Description. According to a County resolution, at retirement, all employees have the option to purchase COBRA basic medical/dental insurance at the County's group rate. The entire cost of this insurance is borne by the employees. They are eligible for COBRA for the lesser of 18 months or until they reach age 65.

Also, under the terms of a County resolution, the County provided employees with at least ten years of service to the County, at the time the plan was implemented, July 1, 2006, the option of retiree health insurance or County funded contributions to the deferred compensation plan. Based on the County's resolution, retirees are eligible to participate in the Retiree Health Benefit Plan until they become eligible for Medicare, currently at age 65. Depending on years of service, retirees qualify for lower contributions under the terms of the plan. This was a one-time irrevocable election. All other employees are eligible only for the County funded contributions to the deferred compensation plan. A separate audited GAAP-basis post-employment benefit plan report is not available for the Retiree Health Benefit Plan. The plan is a single-employer defined benefit plan. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership of the Retiree Health Benefit Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	34
Active plan members	<u>19</u>
Total	<u><u>53</u></u>

Funding Policy. The County pays a portion of the cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that may be amended by the Board of Commissioners. The County's members pay a monthly fee for dependent coverage. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis. As of June 30, 2024, the County has committed \$0 for the payment of future retiree health benefits.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Total OPEB Liability

The County's total OPEB liability of \$2,697,626 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	
General employees	3.30 - 8.30 percent
Law enforcement officers	3.30 - 7.80 percent
Municipal bond index rate	
Prior measurement date	3.69 percent
Measurement date	3.86 percent
Healthcare cost trend rates	
Pre-medicare medical and prescription drug	7.50 percent for 2022 decreasing to an ultimate rate of 4.50 percent by 2030+
Dental	4.00 percent

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	\$ 2,927,125
Changes for the year:	
Service cost	20,764
Interest	101,838
Differences between expected and actual experience	107,877
Changes of assumptions or other inputs	(17,503)
Benefit payments	(442,475)
Net changes	(229,499)
Balance at June 30, 2024	\$ 2,697,626

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.69% to 3.86%.

Law Enforcement Officers – Deaths Before Retirement: Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Law Enforcement Officers – Deaths After Retirement (Healthy): Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019. The male and female rates are set forward 1 year and adjusted by 97% for all ages.

Law Enforcement Officers – Deaths After Retirement (Disabled): Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019. The male and female rates are set back 3 years.

General Employees – Deaths Before Retirement: Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019.

General Employees – Deaths After Retirement (Healthy): Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019. The male rates are set forward 2 years and adjusted with the following factors: 80 and younger, 96.0%; age 81, 96.8%; age 82, 97.6%; age 83, 98.4%; age 84, 99.2%; age 85 and older, 100.0%. The female rates are set forward 2 years and adjusted with the following factors: 91 and younger, 100.0%; age 92, 102.5%; age 93, 105.0%; age 94, 107.5%; age 95 and older, 110.0%.

General Employees – Deaths After Retirement (Disabled): Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019. The male rates are set forward 3 years, and the female rates are set back 1 year.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the North Carolina Local Governmental Employees' Retirement System (NCLGERS) experience study for the five year period of January 1, 2015 through December 31, 2019.

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, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	<u>\$ 2,812,804</u>	<u>\$ 2,697,626</u>	<u>\$ 2,588,135</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 2,589,354</u>	<u>\$ 2,697,626</u>	<u>\$ 2,812,297</u>

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$216,476. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>\$ 450,239</u>	<u>\$ -</u>

\$450,239 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2025	<u>\$ -</u>

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 (the "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 no less than \$25,000 and no more than \$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

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

Closure and Post-Closure Care Costs – Woodruff Road Landfill Facility

Federal and state laws and regulations require the County to place a final cover on its Woodruff Road Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition, North Carolina General Statutes recently began requiring counties to provide financial assurance sufficient to cover a minimum of \$2,000,000 in costs for potential assessment and corrective action (PACA) at the facility. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County appropriates funds annually for a portion of these costs, based on landfill capacity used as of each balance sheet date. In FY 2014, the County also included a portion of the PACA costs. Of the \$8,408,926 reported as landfill closure and post-closure care and PACA liability at June 30, 2024, \$8,208,926 is for closure and post-closure care costs and \$200,000 is for PACA costs. Both are a cumulative amount reported to date based on the use of 95 percent of the total estimated capacity of the landfill.

These amounts are based on what it would cost to perform all closure and post-closure care and PACA in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects the portion of the Woodruff Road Landfill Facility currently being used to reach its permitted capacity in approximately 4 years.

The County has met the requirements of a local government financial test that is one option under federal and state laws and regulations that help determine if a unit is financially able to meet closure and post-closure care and PACA requirements. In addition, the County has elected to establish a reserve fund to accumulate resources for the payment of the closure and post-closure care costs. As of June 30, 2024, the County had funds of \$6,994,202 in a local bank restricted for this purpose. The County expects that future inflation costs will be paid from the interest earnings in this account. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Deferred Outflows and Inflows of Resources

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 9,709,840
OPEB deferrals	450,239
Total	<u>\$ 10,160,079</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Source	Amount
Prepaid taxes (General Fund)	\$ 25,067
Prepaid taxes (Special Revenue Fund)	1,906
Taxes receivable, net (General Fund)	94,742
Taxes receivable, net (Special Revenue Fund)	11,669
Unavailable revenues- leases (General Fund)	316,244
Unavailable revenues (Opioid Settlement Fund)	3,599,876
Pension deferrals	497,381
Total	<u>\$ 4,546,885</u>

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. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$57.2 million for any one occurrence; general, auto, public officials, law enforcement and employment practices liability coverage of \$2 million per occurrence; cyber liability coverage of \$1,000,000 per occurrence; 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 statutory limits. 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 \$500,000 retention up to a \$2 million limit for liability coverage, and \$499,750,000 of each loss in excess of \$250,000 per occurrence retention for property and auto physical damage. For workers' compensation, there is a per occurrence retention of \$750,000. For health insurance, the County provides coverage through Blue Cross and Blue Shield of North Carolina and is reinsured for individual losses in excess of \$75,000 and aggregate annual losses in excess of 125 percent of expected claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNRs).

Changes in the balances of claims liabilities for health insurance during the past fiscal year are as follows:

	2024	2023
Unpaid claims, beginning	\$ 490,573	\$ 465,218
Incurred claims	3,861,354	4,484,412
Claim payments	(3,801,619)	(4,459,057)
Unpaid claims, ending	<u>\$ 550,308</u>	<u>\$ 490,573</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The County has not obtained separate flood insurance due to the limited likelihood of County property sustaining flood damage. The County's property insurance provides what is deemed to be adequate coverage for the County's exposure.

In accordance with G.S. 159-29, the Finance Director, the County Manager, and the Tax Collector are individually bonded for \$1,000,000 each. In addition, the Register of Deeds is bonded for \$50,000, and the Sheriff is bonded for \$25,000. All other County employees who are not required to be bonded individually have fidelity coverage through the Crime Section of the County's liability insurance policy referenced above.

In accordance with G.S. 159-29, Transylvania County's employees that administer and have access to \$100 or more of the Transylvania County Tourism Development Authority's funds at any given time are performance bonded through a commercial surety bond. Transylvania County's Finance Officer, who is responsible for accounting of the Authority's funds, is bonded separately under a surety bond for the Authority for \$50,000.

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.

Long-Term Obligations

Leases

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

On August 1, 2020, the County entered into a 60-month lease as lessee for the use of Stryker PowerPro XT ambulance cots. An initial lease liability was recorded in the amount of \$347,003. As of June 30, 2024, the value of the lease liability is \$87,739. The County is required to make annual fixed payments of \$89,493. The lease has an interest rate of 2%. The value of the right-to-use asset as of June 30, 2024 is \$347,003 with an accumulated amortization of \$329,607.

On May 5, 2019, the County entered into a 60-month lease as lessee for the use of a Kyocera Copier #2. An initial lease liability was recorded in the amount of \$11,705. As of June 30, 2024, the value of the lease liability is \$5,713. The County is required to make monthly fixed payments of \$199. The lease has an interest rate of 0.8100%. The value of the right-to-use asset as of June 30, 2024 is \$11,705 with an accumulated amortization of \$6,048.

On April 1, 2022, the County entered into a 60-month lease as lessee for the use of a DSS Postage Meter. An initial lease liability was recorded in the amount of \$12,929. As of June 30, 2024, the value of the lease liability is \$7,568. The County is required to make quarterly fixed payments of \$660. The lease has an interest rate of 2.800%. The value of the right-to-use asset as of June 30, 2024 is \$12,929 with an accumulated amortization of \$5,542.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On January 1, 2022, the County entered into a 60-month lease as lessee for the use of a Sheriff Postage Meter. An initial lease liability was recorded in the amount of \$3,712. As of June 30, 2024, the value of the lease liability is \$1,881. The County is required to make quarterly fixed payments of \$192. The lease has an interest rate of 1.3700%. The value of the right-to-use asset as of June 30, 2024 is \$3,712 with an accumulated amortization of \$1,856.

On July 1, 2021, the County entered into a 60-month lease as lessee for the use of laundry equipment #1 at its detention center. An initial lease liability was recorded in the amount of \$57,367. As of June 30, 2024, the value of the lease liability is \$28,811. The County is required to make annual fixed payments of \$9,775. The lease has an interest rate of .8900%. The value of the right-to-use asset as of June 30, 2024 is \$57,367 with an accumulated amortization of \$33,045.

On July 1, 2021, the County entered into a 60-month lease as lessee for the use of laundry equipment #2 at its detention center. An initial lease liability was recorded in the amount of \$13,064. As of June 30, 2024, the value of the lease liability is \$5,249. The County is required to make annual fixed payments of \$2,660. The lease has an interest rate of .8900%. The value of the right-to-use asset as of June 30, 2024 is \$13,064 with an accumulated amortization of \$7,839.

On September 1, 2008, the County entered into a 30-year lease as lessee for the use of land at 2117 Old Rosman Hwy. An initial lease liability was recorded in the amount of \$53,053. As of June 30, 2024, the value of the lease liability is \$47,012. The County is required to make annual payments that escalate each year. For the year ended June 30, 2024 the annual payment was \$2,863. The lease has an interest rate of 2.6000%. The value of the right-to-use asset as of June 30, 2023, is \$53,053 with an accumulated amortization of \$9,252.

On July 1, 2021, the County entered into a 9-year lease as a lessee for the use of land at Island Ford Rd. An initial lease liability was recorded in the amount of \$8,726. As of June 30, 2024, the value of the lease liability is \$6,145. The County is required to make annual payments that escalate each year. The lease has an interest rate of 2.0500%. The value of the right-to-use asset as of June 30, 2024 is \$8,726 with an accumulated amortization of \$3,252.

On July 1, 2021, the County entered into a 60-month lease as lessee for the use of office space at 522 S. Caldwell St., Brevard. An initial lease liability was recorded in the amount of \$102,450. As of June 30, 2024, the value of the lease liability is \$20,749. The County is required to make fixed monthly payments of \$2,314. The lease has an interest rate of .8900%. The value of the right-to-use asset as of June 30, 2024 is \$102,450 with an accumulated amortization of \$81,960.

On April 1, 2021, the County entered into a 50-month lease as lessee for the use of a excavator. An initial lease liability was recorded in the amount of \$146,732. As of June 30, 2024, the value of the lease liability is \$30,595. The County is required to make fixed monthly payments of \$3,442. The lease has an interest rate of 2.9810%. The value of the right-to-use asset as of June 30, 2024 is \$146,732 with an accumulated amortization of \$117,386.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On November 16, 2023, the County entered into a 63-month lease as lessee for the use of an Admin/Tax Postage machine. An initial lease liability was recorded in the amount of \$20,752. As of June 30, 2024, the value of the lease liability is \$18,313. The County is required to make fixed monthly payments of \$356. The lease has an interest rate of 3.5760%. The value of the right-to-use asset as of June 30, 2024 is \$20,752 with an accumulated amortization of \$2,469.

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

Governmental Activities:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 132,640	\$ 4,324	\$ 136,964
2026	24,686	2,084	26,770
2027	20,794	1,667	22,461
2028	7,491	1,310	8,801
2029	6,429	1,085	7,514
2030-2034	16,486	3,954	20,440
2035-2039	20,654	1,672	22,326
Total	<u>\$ 229,180</u>	<u>\$ 16,096</u>	<u>\$ 245,276</u>

Business-Type Activities:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 30,595</u>	<u>\$ 381</u>	<u>\$ 30,976</u>

Subscriptions

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On December 1, 2022, the County entered into a 48-month subscription for the use of DarkTrace. An initial subscription liability was recorded in the amount of \$196,178. As of June 30, 2024, the value of the lease liability is \$110,243. The County is required to make fixed annual payments of \$57,444. The lease has an interest rate of 2.7960%. The value of the right-to-use asset as of June 30, 2024 is \$196,178 with an accumulated amortization of \$76,069.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2025	\$ 54,362	\$ 3,082	\$ 57,444
2026	55,881	1,562	57,443
Total	<u>\$ 110,243</u>	<u>\$ 4,644</u>	<u>\$ 114,887</u>

Installment Financing Contracts

The County entered into an installment financing contract on September 30, 2015, with Branch Banking & Trust Company in the amount of \$1,807,457. The proceeds from this installment financing contract were used to complete the County building. The contract requires four annual payments of \$30,124 by the County and concurrent interest payments at an interest rate of 2.64 percent. The balance outstanding at June 30, 2024 totaled \$696,325.

The County entered into an installment financing contract on July 13, 2023, with JP Morgan in the amount of \$5,500,000. The proceeds from this installment financing contract were used to complete the new EMS Base building. The contract requires annual payments of \$367,000 by the County and semi-annual interest payments at an interest rate of 3.56 percent. The balance outstanding at June 30, 2024 totaled \$5,134,000.

The County's outstanding notes from direct placements related to governmental activities of \$696,325 are secured with mortgaged property. The County's outstanding notes from direct placements related to governmental activities of \$696,325 contain provisions that an event of default would result in (a) declare the unpaid principal components of the Installment Payments immediately due and payable; (b) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the financing agreement or to recover for the breach thereof; (c) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner the bank may reasonably deem appropriate; and (d) avail itself of all available remedies under the financing agreement, including execution and foreclosure as provided in Sections 8.03 and 8.04 of the financing agreement, and recovery of attorneys' fees and other expenses.

The County's outstanding notes from direct placements related to governmental activities of \$5,134,000 are secured with mortgaged property. The County's outstanding notes from direct placements related to governmental activities of \$5,134,000 contain provisions that an event of default would result in (a) declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the contract or to recover for the breach thereof; (c) exercise all the rights and remedies of a secured party or creditor under the Deed of Trust, Uniform Commercial Code of the State of North Carolina and the general laws of the State of

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

North Carolina with respect to the enforcement of the security interest granted or reserved hereunder and under the Deed of Trust, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the Mortgaged Property and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease, or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage, and other sale, lease, sublease or other disposition costs, toward the balance due under the contract and, thereafter, shall pay any remaining proceeds to the County; (d) take possession of any proceeds of the Mortgaged Property, including Net Proceeds; (e) pursue any other remedy available at law or equity to the Bank.

The debt service requirements to maturity for the County's installment financing contracts are as follows:

Year Ending			
June 30	Principal	Interest	Total
2025	\$ 487,497	\$ 209,447	\$ 696,944
2026	487,497	199,960	687,457
2027	487,497	183,714	671,211
2028	487,497	167,468	654,965
2029	487,497	148,040	635,537
2030-2034	1,928,834	523,180	2,452,014
2035-2039	1,464,006	130,296	1,594,302
Total	<u>\$ 5,830,325</u>	<u>\$ 1,562,105</u>	<u>\$ 7,392,430</u>

At June 30, 2024, the County had a legal debt margin of \$547,471,890.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2024:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
Governmental Activities:					
Direct placement - Installment financing	\$ 913,489	\$ 5,500,000	\$ 583,164	\$ 5,830,325	\$ 487,497
Lease liabilities	411,774	20,752	203,346	229,180	132,640
Subscription liabilities	163,126	-	52,883	110,243	54,362
Net pension liability - LGERS	12,903,723	947,526	-	13,851,249	-
Total pension liability - LEO	2,757,992	2,114	-	2,760,106	-
Total OPEB liability	2,780,769	-	218,024	2,562,745	140,600
Compensated absences	1,326,097	142,860	65,844	1,403,113	1,192,646
Total	<u>\$ 21,256,970</u>	<u>\$ 6,613,252</u>	<u>\$ 1,123,261</u>	<u>\$ 26,746,961</u>	<u>\$ 2,007,745</u>
Business-Type Activities:					
Total OPEB liability	\$ 146,356	\$ -	\$ 11,475	\$ 134,881	\$ 7,400
Net pension liability - LGERS	679,143	49,870	-	729,013	-
Accrued landfill closure and post-closure care costs	7,931,073	477,853	-	8,408,926	-
Lease liabilities	70,341	-	39,746	30,595	30,595
Compensated absences	43,970	8,418	2,771	49,617	42,174
Total	<u>\$ 8,870,883</u>	<u>\$ 536,141</u>	<u>\$ 53,992</u>	<u>\$ 9,353,032</u>	<u>\$ 80,169</u>

Compensated absences, net pension liabilities, and other post-employment benefits have typically been liquidated in the General Fund. Compensated absences are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

C. Net Investment in Capital Assets

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation and amortization	\$ 42,931,666	\$ 3,691,495
Less: capital debt		
Gross debt	6,169,748	30,595
Add:		
Unexpended debt proceeds	652,669	-
Net capital debt	<u>5,517,079</u>	<u>30,595</u>
Net investment in capital assets	<u>\$ 37,414,587</u>	<u>\$ 3,660,900</u>

D. Interfund Balances and Activity

Transfers from/to other funds for the year ended June 30, 2024 consist of the following:

From the General Fund to the Education Capital Project Fund to fund education projects for local schools	\$ 834,575
From the General Fund to the Solid Waste Fund to supplement other funding sources	1,185,925
From the General Fund to the Group Insurance Service Fund, to re-allocate existing resources to establish and Internal Service Fund	530,300
From the Water and Sewer Development Fund to the Multi-year Grant Ordinance Fund allocate funds recognized previously in newly appropriated projects	1,984,803
From the Capital Reserve Fund to the Education Capital Project Fund to fund education projects for local schools	2,099,568
From the Capital Reserve Fund to the General Fund for FF&E and vehicle expenditures	<u>1,153,516</u>
Total	<u>\$ 7,788,687</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Multi-Year Grant Ordinance Fund	\$ <u>557,529</u>

The interfund balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The balance above represents advances from the General Fund. Grant funds have been requested to repay the General Fund.

4. Joint Ventures

Transylvania County and the Transylvania County Board of Education are working together on a plan to repair and renovate nine school sites utilizing \$68 million in bond funds passed by vote in November 2018. The plan will include a multi-year funding plan incorporating bonds and cash to accomplish the needs identified in a third-party building assessment and recommended by a jointwork study group including members from the school board, board of Commissioners and staff. The two boards received recommendations from the study group for consideration. A funding plan was then be developed to move forward initial project needs identified, which include bond funds, cash and/or additional financing.

Transylvania County, the City of Brevard and the Transylvania Economic Alliance entered into an agreement dated November 14, 2017 concerning the expansion of economic development opportunities within the City of Brevard and Transylvania County. Under the terms of the agreement, the City of Brevard conveyed a parcel of land to the Alliance and the County agreed to finance the construction of a manufacturing facility. In return, the Alliance entered into promissory notes with both entities with the value of the City's note being forgiven after five years or the sale of the facility and the County's portion being paid down by proceeds from lease of facility or through the sale of the facility by the Alliance to a private entity. The facility opened formally to private use under the management of the Alliance in January 2019. The Alliance and the county have sought and received a Golden Leaf grant to fund a phase 2 expansion on the building. The county would fund and construct the expansion with a promissory note on the expansion in FY25.

The County, in conjunction with 21 other counties, is a member of the Vaya Health Local Management Entity (LME), which provides mental health, development disability, and substance abuse services to residents of the twenty-two County area. Each participating government appoints members to the governing board of the LME. The County has ongoing financial responsibility to provide maintenance of effort funding to assist in providing mental health services primarily within the County. The County contributed \$99,261 towards this maintenance of effort in the form of grants to service providers during the fiscal year ended June 30, 2023. None of the 22 participating governments has any equity interest in the LME, so no equity has been reflected in the financial statements at June 30, 2023. Complete financial statements for the LME may be obtained from the LME's administrative office at 200 Ridgefield Court, Asheville, North Carolina.

TRANSYLVANIA COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5. Related Party Transactions

The County and its discretely presented component unit engaged in the following transaction during the year ended June 30, 2024:

Related Party Transactions:

Transylvania County Tourism Development Authority:

Payments of occupancy tax due to the Authority from the County	\$ <u>238,845</u>
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Payments of occupancy tax paid to the Authority from the County	\$ <u>1,979,290</u>
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6. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

7. Claims and Judgments

At June 30, 2024, the County was a defendant to various lawsuits. In the opinion of the County's Management and the County Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

8. Significant Effects of Subsequent Events

The County issued \$46,665,000 in General Obligation School Bond Anticipation Notes, Series 2024, on November 6, 2024. This debt is being used to construct, improve, renovate, and equip school facilities.

The County was awarded a \$1,000,000 Community Oriented Policing Services (COPS) grant in October 2024, which will fund various equipment purchases for the County's police department.

Damage in certain areas of the state of North Carolina resulting from Hurricane Helene beginning on September 27, 2024, and continuing was of sufficient severity and magnitude to warrant a major disaster declaration by the President. Hurricane Helene struck North Carolina and caused serious flooding and wind damage in several counties including areas of Transylvania County. The County sustained minimal damage to County-owned property and expect repairs to be fully funded by insurance and FEMA Public Assistance. Insurance Adjusters and FEMA Site Inspectors have completed reviews of damages and projects for reimbursement are being established. Category B-Emergency Protective Measures will be the largest reimbursement to cover all activities completed by County staff during the storm and initial recovery, which is expected to be less than \$1,000,000.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- **Schedule of Changes in Total Pension Liability for Law Enforcement Officers' Special Separation Allowance – Last Eight Fiscal Years**
- **Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll for Law Enforcement Officers' Special Separation Allowance – Last Eight Fiscal Years**
- **Schedule of Changes in the Total OPEB Liability and Related Ratios – Retiree Health Plan – Last Seven Fiscal Years**
- **Notes to Required Schedules of Other Post-Employment Benefits - Retiree Health Plan**
- **Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Governmental Employees' Retirement System – Last Ten Fiscal Years**
- **Schedule of Contributions to Local Governmental Employees' Retirement System – Last Ten Fiscal Years**
- **Schedule of Proportionate Share of Net Pension Liability (Asset) for Register of Deed's Supplemental Pension Fund – Last Ten Fiscal Years**
- **Schedule of Contributions to Register of Deed's Supplemental Pension Fund – Last Ten Fiscal Years**

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance			
	2024	2023	2022	2021
Beginning balance	\$ 2,757,992	\$ 2,457,496	\$ 2,436,592	\$ 2,019,715
Service cost	91,189	121,270	120,367	73,338
Interest on the total pension liability	106,707	48,646	49,997	63,798
Differences between expected and actual experience in the measurement of the total pension liability	(32,624)	526,681	13,521	227,895
Changes of assumptions or other inputs	50,696	(189,175)	6,998	177,281
Benefit payments	(213,854)	(206,926)	(169,979)	(125,435)
Ending balance of the total pension liability	<u>\$ 2,760,106</u>	<u>\$ 2,757,992</u>	<u>\$ 2,457,496</u>	<u>\$ 2,436,592</u>

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

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Beginning balance	\$ 1,975,412	\$ 2,066,762	\$ 1,694,384	\$ 1,655,418
Service cost	78,197	82,840	75,265	72,405
Interest on the total pension liability	69,997	63,707	64,010	58,119
Differences between expected and actual experience in the measurement of the total pension liability	(36,800)	(68,096)	190,712	-
Changes of assumptions or other inputs	52,429	(68,389)	114,593	(36,692)
Benefit payments	(119,520)	(101,412)	(72,202)	(54,866)
Ending balance of the total pension liability	<u>\$ 2,019,715</u>	<u>\$ 1,975,412</u>	<u>\$ 2,066,762</u>	<u>\$ 1,694,384</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance			
	2024	2023	2022	2021
Total pension liability	\$ 2,760,106	\$ 2,757,992	\$ 2,457,496	\$ 2,436,592
Covered-employee payroll	3,204,938	3,204,938	3,153,924	3,153,924
Total pension liability as a percentage of covered-employee payroll	86.12%	86.05%	77.92%	77.26%

Notes to the Schedules:

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

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Total pension liability	\$ 2,019,715	\$ 1,975,412	\$ 2,066,762	\$ 1,694,384
Covered-employee payroll	2,804,103	2,979,305	3,025,120	2,838,700
Total pension liability as a percentage of covered-employee payroll	72.03%	66.30%	68.32%	59.69%

TRANSYLVANIA COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS LAST SEVEN FISCAL YEARS

	Other Post-Employment Benefits			
	2024	2023	2022	2021
Service cost	\$ 20,764	\$ 32,843	\$ 31,517	\$ 36,475
Interest	101,838	59,924	65,875	121,331
Differences between expected and actual experience	107,877	38,252	(241,312)	(542,388)
Changes of assumptions or other inputs	(17,503)	(64,914)	6,380	177,169
Benefit payments	(442,475)	(68,408)	(68,918)	(246,620)
Net change in total OPEB liability	(229,499)	(2,303)	(206,458)	(454,033)
Total OPEB liability - beginning	2,927,125	2,929,428	3,135,886	3,589,919
Total OPEB liability - ending	<u>\$ 2,697,626</u>	<u>\$ 2,927,125</u>	<u>\$ 2,929,428</u>	<u>\$ 3,135,886</u>
Covered-employee payroll	\$ 1,390,566	\$ 1,390,566	\$ 1,248,555	\$ 1,248,555
Total OPEB liability as a percentage of covered-employee payroll	193.99%	210.50%	234.63%	251.16%

Notes to the Required Schedules:

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

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.69%
2024	3.86%

Transylvania County has no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits.

TRANSYLVANIA COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Other Post-Employment Benefits		
	2020	2019	2018
Service cost	\$ 34,050	\$ 59,784	\$ 64,873
Interest	138,155	132,075	117,703
Differences between expected and actual experience	(91,156)	(285,138)	(138,367)
Changes of assumptions or other inputs	68,231	112,290	(115,172)
Benefit payments	(219,709)	(136,057)	(123,160)
Net change in total OPEB liability	(70,429)	(117,046)	(194,123)
Total OPEB liability - beginning	3,660,348	3,777,394	3,971,517
Total OPEB liability - ending	\$ 3,589,919	\$ 3,660,348	\$ 3,777,394
Covered-employee payroll	\$ 1,153,125	\$ 1,153,125	\$ 2,033,757
Total OPEB liability as a percentage of covered-employee payroll	311.32%	317.43%	185.73%

TRANSYLVANIA COUNTY, NORTH CAROLINA

**TRANSYLVANIA COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

	Local Governmental Employees' Retirement System				
	2024	2023	2022	2021	2020
County's proportion of the net pension liability (asset) (%)	0.22014%	0.24077%	0.24087%	0.23004%	0.21633%
County's proportion of the net pension liability (asset) (\$)	\$ 14,580,262	\$ 13,582,866	\$ 3,693,973	\$ 8,220,309	\$ 5,907,804
County's covered payroll	\$ 19,552,611	\$ 18,704,586	\$ 18,306,434	\$ 17,525,902	\$ 15,202,874
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.57%	72.62%	20.18%	46.90%	38.86%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

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

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

TRANSYLVANIA COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS*

	Local Governmental Employees' Retirement System				
	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) (%)	0.21395%	0.22859%	0.21772%	0.21686%	0.21288%
County's proportion of the net pension liability (asset) (\$)	\$ 5,075,626	\$ 3,492,222	\$ 4,620,747	\$ 973,254	\$ (1,255,453)
County's covered payroll	\$ 14,316,146	\$ 14,615,583	\$ 13,754,619	\$ 13,295,491	\$ 12,789,506
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.45%	23.89%	33.59%	7.32%	-9.82%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

TRANSYLVANIA COUNTY, NORTH CAROLINA

TRANSYLVANIA COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS

	Local Governmental Employees' Retirement System				
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 2,849,756	\$ 2,396,455	\$ 2,156,669	\$ 1,875,300	\$ 1,595,317
Contributions in relation to the contractually required contribution	<u>2,849,756</u>	<u>2,396,455</u>	<u>2,156,669</u>	<u>1,875,300</u>	<u>1,595,317</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 21,842,895	\$ 19,552,611	\$ 18,704,586	\$ 18,306,434	\$ 17,525,902
Contributions as a percentage of covered payroll	13.05%	12.26%	11.53%	10.24%	9.10%

TRANSYLVANIA COUNTY, NORTH CAROLINA

TRANSYLVANIA COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS

	Local Governmental Employees' Retirement System				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,197,774	\$ 1,095,723	\$ 1,082,984	\$ 932,593	\$ 939,521
Contributions in relation to the contractually required contribution	<u>1,197,774</u>	<u>1,095,723</u>	<u>1,082,984</u>	<u>932,593</u>	<u>939,521</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 15,202,874	\$ 14,316,146	\$ 14,615,583	\$ 13,754,619	\$ 13,295,491
Contributions as a percentage of covered payroll	7.88%	7.65%	7.41%	6.78%	7.07%

TRANSYLVANIA COUNTY, NORTH CAROLINA

**TRANSYLVANIA COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund				
	2024	2023	2022	2021	2020
County's proportion of the net pension liability (asset) (%)	0.41594%	0.40621%	0.40836%	0.38667%	0.39774%
County's proportion of the net pension liability (asset) (\$)	\$ (49,984)	\$ (53,782)	\$ (78,458)	\$ (88,617)	\$ (78,522)
Plan fiduciary net position as a percentage of the total pension liability**	135.74%	139.04%	156.53%	173.62%	164.11%

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

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

TRANSYLVANIA COUNTY, NORTH CAROLINA

**TRANSYLVANIA COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund				
	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) (%)	0.36639%	0.42666%	0.42072%	0.41405%	0.40700%
County's proportion of the net pension liability (asset) (\$)	\$ (60,685)	\$ (72,827)	\$ (78,658)	\$ (95,952)	\$ (92,215)
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	153.77%	160.17%	197.29%	193.88%

TRANSYLVANIA COUNTY, NORTH CAROLINA**TRANSYLVANIA COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund				
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 3,384	\$ 3,712	\$ 4,657	\$ 4,901	\$ 3,702
Contributions in relation to the contractually required contribution	<u>3,384</u>	<u>3,712</u>	<u>4,657</u>	<u>4,901</u>	<u>3,702</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA**TRANSYLVANIA COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,452	\$ 3,463	\$ 3,707	\$ 3,437	\$ 3,313
Contributions in relation to the contractually required contribution	<u>3,452</u>	<u>3,463</u>	<u>3,707</u>	<u>3,437</u>	<u>3,313</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

MAJOR CAPITAL PROJECT FUNDS

EDUCATION CAPITAL PROJECT FUND

GENERAL CAPITAL PROJECT FUND

The Education Capital Project Reserve Fund – This fund accounts for funds that were established for managing the financial affairs of capital projects that renovate or construct educational facilities pursuant to NC G.S. 159-18.

The General Capital Project Reserve Fund – This fund accounts for funds that were established for managing the financial affairs of capital projects that renovate or construct government facilities pursuant to NC G.S. 159-18.

MAJOR SPECIAL REVENUE FUNDS

MULTI-YEAR GRANT ORDINANCE FUND

OPIOID SETTLEMENT FUND

The Multi-year Grant Ordinance Fund accounts for funds received from the Local Fiscal Recovery Funds appropriated to the County by the American Rescue Plan Act (U.S. Public Law 117-2).

Opioid Settlement Fund accounts for monies or disbursements received from the National Opioid Settlement Agreement with pharmaceutical and drug distribution companies due to the opioid epidemic.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 43,986,577	\$ 43,740,198	\$ (246,379)
Penalties and interest	93,500	104,512	11,012
Total	<u>44,080,077</u>	<u>43,844,710</u>	<u>(235,367)</u>
Local Option Sales Taxes:			
Article 39 and 44	6,809,371	6,558,495	(250,876)
Article 40, one-half of one percent	2,767,697	2,549,206	(218,491)
Article 42, one-half of one percent	1,397,194	1,327,638	(69,556)
Medicaid hold harmless	1,450,000	1,173,174	(276,826)
Total	<u>12,424,262</u>	<u>11,608,513</u>	<u>(815,749)</u>
Other Taxes and Licenses:			
Deed stamp excise tax	169,033	118,808	(50,225)
Real estate transfer tax	1,077,425	1,086,723	9,298
Occupancy tax	2,300,000	2,008,907	(291,093)
Total	<u>3,546,458</u>	<u>3,214,438</u>	<u>(332,020)</u>
Unrestricted Intergovernmental Revenues:			
Payments in lieu of taxes - outside sources	265,000	280,361	15,361
ABC profit distribution & 5 cent bottle liquor	181,000	292,285	111,285
Video programming services tax	100,000	73,656	(26,344)
Total	<u>546,000</u>	<u>646,302</u>	<u>100,302</u>
Restricted Intergovernmental Revenues:			
State grants	826,646	878,828	52,182
Federal grants	5,989,544	4,940,856	(1,048,688)
Court facility fees	35,000	28,474	(6,526)
State aid to public libraries	107,174	107,174	-
Other restricted funds	679,957	435,336	(244,621)
Total	<u>7,638,321</u>	<u>6,390,668</u>	<u>(1,247,653)</u>
Permits and Fees:			
Register of Deeds	96,280	80,228	(16,052)
Other	61,835	70,816	8,981
Building permits	716,294	785,566	69,272
Total	<u>874,409</u>	<u>936,610</u>	<u>62,201</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and Services:			
Rents, concessions, and fees	2,395,805	2,107,683	(288,122)
Ambulance fees	1,151,000	1,379,098	228,098
Recreation department	112,000	117,700	5,700
Town of Rosman	7,900	7,531	(369)
City of Brevard	271,291	272,227	936
Lease revenues	-	89,041	89,041
Inmate services	69,609	495,093	425,484
Total	<u>4,007,605</u>	<u>4,468,373</u>	<u>460,768</u>
Investment Earnings	<u>771,306</u>	<u>2,157,829</u>	<u>1,386,523</u>
Miscellaneous:			
Joint Historical Preservation	-	20	20
Donations	53,000	158,742	105,742
Other	583,914	833,281	249,367
Total	<u>636,914</u>	<u>992,043</u>	<u>355,129</u>
Total revenues	<u>74,525,352</u>	<u>74,259,486</u>	<u>(265,866)</u>
Expenditures:			
General Government:			
Administration:			
Salaries and employee benefits	1,194,199	1,166,968	27,231
Other operating expenditures	2,585,668	2,602,915	(17,247)
Total	<u>3,779,867</u>	<u>3,769,883</u>	<u>9,984</u>
Elections:			
Salaries and employee benefits	330,371	334,461	(4,090)
Other operating expenditures	153,572	138,852	14,720
Total	<u>483,943</u>	<u>473,313</u>	<u>10,630</u>
Finance:			
Salaries and employee benefits	608,073	580,300	27,773
Other operating expenditures	113,818	82,613	31,205
Total	<u>721,891</u>	<u>662,913</u>	<u>58,978</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Over/Under
Taxes:			
Salaries and employee benefits	1,353,001	1,312,688	40,313
Other operating expenditures	194,853	160,730	34,123
Total	1,547,854	1,473,418	74,436
Register of Deeds:			
Salaries and employee benefits	444,481	429,905	14,576
Other operating expenditures	621,280	594,299	26,981
Capital outlay	13,640	13,640	-
Total	1,079,401	1,037,844	41,557
Public Buildings:			
Salaries and employee benefits	1,149,024	1,102,608	46,416
Other operating expenditures	551,033	455,556	95,477
Capital outlay	832,227	253,912	578,315
Total	2,532,284	1,812,076	720,208
Non-departmental:			
Salaries and employee benefits	400,461	347,447	53,014
Other operating expenditures	474,806	463,429	11,377
Capital outlay	20,752	20,752	-
Total	896,019	831,628	64,391
Total general government	11,041,259	10,061,075	980,184
Public Safety:			
Sheriff and Jail:			
Salaries and employee benefits	9,409,101	9,358,311	50,790
Other operating expenditures	1,540,459	1,684,136	(143,677)
Capital outlay	813,934	731,188	82,746
Total	11,763,494	11,773,635	(10,141)
Emergency Management:			
Salaries and employee benefits	518,858	466,885	51,973
Other operating expenditures	114,039	72,483	41,556
Total	632,897	539,368	93,529

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Fire and Rescue Units:			
Contracted services	<u>2,387,689</u>	<u>2,305,085</u>	<u>82,604</u>
Emergency Medical Services:			
Salaries and employee benefits	3,216,386	2,877,757	338,629
Other operating expenditures	534,063	468,429	65,634
Capital outlay	<u>769,358</u>	<u>82,214</u>	<u>687,144</u>
Total	<u>4,519,807</u>	<u>3,428,400</u>	<u>1,091,407</u>
Medical Examiner:			
Contracted services	<u>35,000</u>	<u>22,750</u>	<u>12,250</u>
Emergency Communications:			
Salaries and employee benefits	1,600,341	1,429,982	170,359
Other operating expenditures	960,974	821,570	139,404
Capital outlay	<u>856,827</u>	<u>336,453</u>	<u>520,374</u>
Total	<u>3,418,142</u>	<u>2,588,005</u>	<u>830,137</u>
Animal Control:			
Salaries and employee benefits	516,465	513,943	2,522
Other operating expenditures	125,130	104,890	20,240
Capital outlay	<u>10,343</u>	<u>10,343</u>	<u>-</u>
Total	<u>651,938</u>	<u>629,176</u>	<u>22,762</u>
Inspections:			
Salaries and employee benefits	692,455	673,099	19,356
Other operating expenditures	<u>44,414</u>	<u>25,844</u>	<u>18,570</u>
Total	<u>736,869</u>	<u>698,943</u>	<u>37,926</u>
Total public safety	<u>24,145,836</u>	<u>21,985,362</u>	<u>2,160,474</u>
Transportation:			
Salaries and employee benefits	501,568	440,760	60,808
Other operating expenditures	224,647	189,220	35,427
Capital outlay	<u>113,830</u>	<u>91,649</u>	<u>22,181</u>
Total transportation	<u>840,045</u>	<u>721,629</u>	<u>118,416</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Economic and Physical Development:			
Planning:			
Salaries and employee benefits	293,820	277,201	16,619
Other operating expenditures	123,036	91,778	31,258
Total	<u>416,856</u>	<u>368,979</u>	<u>47,877</u>
Economic Development:			
Operating expenditures	<u>375,000</u>	<u>375,000</u>	<u>-</u>
Cooperative Extension:			
Salaries and employee benefits	240,666	240,666	-
Other operating expenditures	16,200	13,596	2,604
Total	<u>256,866</u>	<u>254,262</u>	<u>2,604</u>
Soil and Water Conservation:			
Salaries and employee benefits	216,876	216,833	43
Other operating expenditures	40,246	25,012	15,234
Total	<u>257,122</u>	<u>241,845</u>	<u>15,277</u>
TDA Remittances:			
Other operating expenditures	<u>2,241,000</u>	<u>1,979,290</u>	<u>261,710</u>
Total economic and physical development	<u>3,546,844</u>	<u>3,219,376</u>	<u>327,468</u>
Human Services:			
Health:			
Administration:			
Salaries and employee benefits	2,896,542	2,796,007	100,535
Other operating expenditures	1,086,368	804,207	282,161
Total	<u>3,982,910</u>	<u>3,600,214</u>	<u>382,696</u>
Social Services:			
Administration:			
Salaries and employee benefits	4,760,886	4,427,705	333,181
Other operating expenditures	610,352	592,406	17,946
Capital outlay	25,000	-	25,000
Total	<u>5,396,238</u>	<u>5,020,111</u>	<u>376,127</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Public Assistance:			
Special assistance to adults:			
County participation only	212,097	186,394	25,703
Workfirst recipient benefits:			
Other operating expenditures	750	115	635
Other assistance:			
Other program expenditures	1,207,904	888,123	319,781
Total	<u>1,420,751</u>	<u>1,074,632</u>	<u>346,119</u>
Child Development:			
Salaries and employee benefits	840,567	653,295	187,272
Other operating expenditures	123,301	109,954	13,347
Total	<u>963,868</u>	<u>763,249</u>	<u>200,619</u>
Total social services	<u>7,780,857</u>	<u>6,857,992</u>	<u>922,865</u>
Other Services:			
Juvenile crime prevention	126,000	125,947	53
Children's Center	10,000	-	10,000
Other services	279,561	262,976	16,585
Total	<u>415,561</u>	<u>388,923</u>	<u>26,638</u>
Total human services	<u>12,179,328</u>	<u>10,847,129</u>	<u>1,332,199</u>
Cultural and Recreational:			
Parks and Recreation:			
Salaries and employee benefits	666,633	609,170	57,463
Other operating expenditures	270,200	216,216	53,984
Capital outlay	137,047	53,063	83,984
Total	<u>1,073,880</u>	<u>878,449</u>	<u>195,431</u>
Library:			
Salaries and employee benefits	1,407,895	1,397,400	10,495
Other operating expenditures	259,199	255,093	4,106
Total	<u>1,667,094</u>	<u>1,652,493</u>	<u>14,601</u>
Total cultural and recreational	<u>2,740,974</u>	<u>2,530,942</u>	<u>210,032</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Education:			
Public schools - current	13,347,875	13,347,872	3
Public schools - capital outlay	1,153,516	1,153,516	-
Blue Ridge Community College	816,521	816,521	-
Total education	<u>15,317,912</u>	<u>15,317,909</u>	<u>3</u>
Debt Service:			
Principal retirement	612,093	839,393	(227,300)
Interest and fees	55,591	205,062	(149,471)
Total	<u>667,684</u>	<u>1,044,455</u>	<u>(376,771)</u>
Total expenditures	<u>70,479,882</u>	<u>65,727,877</u>	<u>4,752,005</u>
Revenues over (under) expenditures	<u>4,045,470</u>	<u>8,531,609</u>	<u>4,486,139</u>
Other Financing Sources (Uses):			
Subscription liabilities issued	-	20,752	20,752
Capital reserve fund	1,153,516	1,153,516	-
Transfers out:			
Capital project funds	(4,799,780)	(834,575)	3,965,205
Enterprise funds	(1,185,925)	(1,185,925)	-
Internal service fund	(530,300)	(530,300)	-
Sale of capital assets	20,000	92,679	72,679
Assigned and committed funds	(1,800,000)	-	1,800,000
Appropriated fund balance	3,097,019	-	(3,097,019)
Total other financing sources (uses)	<u>(4,045,470)</u>	<u>(1,283,853)</u>	<u>2,761,617</u>
Net change in fund balance	<u>\$ -</u>	<u>7,247,756</u>	<u>\$ 7,247,756</u>
Fund Balance:			
Beginning of year - July 1		42,980,033	
Reconciliation from Budgetary Basis to Modified Accrual Basis:			
Current year loan receivable repayments		<u>(228,234)</u>	
End of year - June 30		<u>\$ 49,999,555</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

EDUCATION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Public school building capital fund proceeds	\$ 1,298,589	\$ -	\$ -	\$ -	\$ (1,298,589)
Investment earnings	-	735,160	1,186,268	1,921,428	1,921,428
Total revenues	<u>1,298,589</u>	<u>735,160</u>	<u>1,186,268</u>	<u>1,921,428</u>	<u>622,839</u>
Expenditures:					
Brevard High School 2019-2021 Renovation Project	41,295,476	2,077,667	-	2,077,667	39,217,809
Rosman Middle and High School 2019-2021 Renovation Project	24,555,377	1,204,622	-	1,204,622	23,350,755
Pisgah Forest Elementary School Piping Project	1,728,589	275,945	966,680	1,242,625	485,964
FY24 Education projects	2,120,800	-	883,203	883,203	1,237,597
FY23 Education projects	1,809,963	661,348	774,871	1,436,219	373,744
FY22 Education projects	366,000	-	98,307	98,307	267,693
FY21 Education projects	636,638	275,048	208,655	483,703	152,935
Contingency	1,806,147	-	-	-	1,806,147
Total expenditures	<u>74,318,990</u>	<u>4,494,630</u>	<u>2,931,716</u>	<u>7,426,346</u>	<u>66,892,644</u>
Revenues over (under) expenditures	<u>(73,020,401)</u>	<u>(3,759,470)</u>	<u>(1,745,448)</u>	<u>(5,504,918)</u>	<u>(66,269,805)</u>
Other Financing Sources (Uses):					
Transfers in from General Fund	73,102,500	25,947,075	834,575	26,781,650	(46,320,850)
Transfer in from Capital Reserve Fund	2,099,568	1,948,092	2,099,568	4,047,660	1,948,092
Transfer to Capital Reserve Fund	(2,181,667)	-	-	-	2,181,667
Total other financing sources (uses)	<u>73,020,401</u>	<u>27,895,167</u>	<u>2,934,143</u>	<u>30,829,310</u>	<u>(42,191,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 24,135,697</u>	1,188,695	<u>\$ 25,324,392</u>	<u>\$ 25,324,392</u>
Fund Balance:					
Beginning of year - July 1			<u>24,135,697</u>		
End of year - June 30			<u>\$ 25,324,392</u>		

TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Golden Leaf grant	\$ 1,500,000	\$ -	\$ -	\$ -	\$ (1,500,000)
TEA contributions	150,000	-	-	-	(150,000)
NC OSBM directed grant	7,725,000	725,000	-	725,000	(7,000,000)
Investment earnings	-	112,416	370,766	483,182	483,182
Miscellaneous revenues	600,595	600,595	-	600,595	-
Total revenues	<u>9,975,595</u>	<u>1,438,011</u>	<u>370,766</u>	<u>1,808,777</u>	<u>(8,166,818)</u>
Expenditures:					
EMS Base Project capital outlay	5,069,088	1,344,089	3,677,877	5,021,966	47,122
Sylvan Valley Industrial Center					
Expansion capital outlay	5,404,195	-	186,182	186,182	5,218,013
Landfill cell construction	7,000,000	-	-	-	7,000,000
Contingency	374,904	-	-	-	374,904
Total expenditures	<u>17,848,187</u>	<u>1,344,089</u>	<u>3,864,059</u>	<u>5,208,148</u>	<u>12,640,039</u>
Revenues over (under) expenditures	<u>(7,872,592)</u>	<u>93,922</u>	<u>(3,493,293)</u>	<u>(3,399,371)</u>	<u>4,473,221</u>
Other Financing Sources (Uses):					
Transfer in	3,754,195	2,500,000	-	2,500,000	(1,254,195)
Proceeds from financing	4,118,397	-	5,500,000	5,500,000	1,381,603
Total other financing sources (uses)	<u>7,872,592</u>	<u>2,500,000</u>	<u>5,500,000</u>	<u>8,000,000</u>	<u>127,408</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,593,922</u>	<u>2,006,707</u>	<u>\$ 4,600,629</u>	<u>\$ 4,600,629</u>
Fund Balance:					
Beginning of year - July 1			<u>2,593,922</u>		
End of year - June 30			<u>\$ 4,600,629</u>		

TRANSYLVANIA COUNTY, NORTH CAROLINA

MULTI-YEAR GRANT ORDINANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
American Rescue Plan Act distributions	\$ 6,743,042	\$ 6,678,883	\$ -	\$ 6,678,883	\$ (64,159)
NCDHHS ARPA project distributions	1,559,096	481,768	508,169	989,937	(569,159)
Streamflow Rehabilitation Program (StRAP) grant	307,371	63,660	102,790	166,450	(140,921)
Transportation Infrastructure Resilience Grant	2,365,016	-	-	-	(2,365,016)
EWP project revenues	597,176	-	521,940	521,940	(75,236)
NCDPS Unmet Needs Grant	75,000	-	-	-	(75,000)
Transit Grant	30,000	-	-	-	(30,000)
Community Appearance	60,000	-	-	-	(60,000)
Investment earnings	51,198	51,197	-	51,197	(1)
Total revenues	11,787,899	7,275,508	1,132,899	8,408,407	(3,379,492)
Expenditures:					
American Rescue Plan Act expenditures:					
Public health response: COVID-19 employee costs	375,000	310,841	-	310,841	64,159
NCDHHS ARPA project expenditures:					
ARPA COVID-19 PH regional Workforce	1,000,000	468,992	503,824	972,816	27,184
NCDHHS Agreements	559,096	12,933	4,345	17,278	541,818
Total NCDHHS ARPA project expenditures	1,559,096	481,925	508,169	990,094	569,002
Dogwood Health Trust grant	1,984,803	-	11,919	11,919	1,972,884
EWP project expenditures	889,547	45,170	636,737	681,907	207,640
Streamflow Rehabilitation Program (StRAP) expenditures	90,000	62,496	27,504	90,000	-
TIRG Hart Road project expenditures	2,365,016	33,942	70,911	104,853	2,260,163
Community Appearance	60,000	-	-	-	60,000
Transit Grant	30,000	-	-	-	30,000
Total expenditures	7,353,462	934,374	1,255,240	2,189,614	5,163,848
Revenues over (under) expenditures	4,434,437	6,341,134	(122,341)	6,218,793	(8,543,340)
Other Financing Sources (Uses):					
Transfer in	1,984,803	-	1,984,803	1,984,803	-
Transfers out	(6,419,240)	(6,419,240)	-	(6,419,240)	-
Total other financing sources (uses)	(4,434,437)	(6,419,240)	1,984,803	(4,434,437)	-
Net change in fund balance	\$ -	\$ (78,106)	1,862,462	\$ 1,784,356	\$ 1,784,356
Fund Balance:					
Beginning of year - July 1			(78,106)		
End of year - June 30			\$ 1,784,356		

TRANSYLVANIA COUNTY, NORTH CAROLINA

OPIOID SETTLEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Opioid settlement funds	\$ -	\$ 879,684	\$ 879,684
Investment earnings	-	40,778	40,778
Total revenues	-	920,462	920,462
Net change in fund balance	<u>\$ -</u>	920,462	<u>\$ 920,462</u>
Fund Balance:			
Beginning of year - July 1		<u>424,836</u>	
End of year - June 30		<u>\$ 1,345,298</u>	

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purpose.

Fire Districts Fund – This fund accounts for the ad valorem tax levies of the eight fire districts in Transylvania County.

Emergency Telephone System Fund – This fund accounts for the 911 revenues collected by the North Carolina 911 Board to fund the 911 emergency system.

Narcotics Task Force Fund – This fund accounts for the revenues received that are restricted for use by law enforcement.

Representative Payee Fund – This fund accounts the monies or disbursements received pursuant to that program.

Fines and Forfeitures Fund – This fund accounts for the monies or disbursements received as court-ordered fines and forfeitures.

State Deed Fee Fund – This fund accounts for monies or disbursements received that are collected by the Register of Deeds and due to the State of North Carolina.

CAPITAL PROJECT FUNDS

Capital project funds are used to account for various projects the County has committed.

Capital Reserve Fund – This fund accounts for the monies received for various education projects of the County.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Permanent Fund	Total
Assets:				
Cash and investments	\$ 2,049,140	\$ -	\$ 265,480	\$ 2,314,620
Accounts receivable, net	11,224	-	-	11,224
Taxes receivable, net	11,669	-	-	11,669
Due from other governments	40,479	-	-	40,479
Cash and investments, restricted	-	-	108,367	108,367
Total assets	<u>\$ 2,112,512</u>	<u>\$ -</u>	<u>\$ 373,847</u>	<u>\$ 2,486,359</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Due to other governments	<u>\$ 11,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,224</u>
Deferred Inflows of Resources:				
Property taxes receivable	11,669	-	-	11,669
Prepaid taxes	1,906	-	-	1,906
Total deferred inflows of resources	<u>13,575</u>	<u>-</u>	<u>-</u>	<u>13,575</u>
Fund Balances:				
Non-spendable, not in spendable form:				
Perpetual maintenance - non-expendable	-	-	108,367	108,367
Stabilization by state statute	51,703	-	-	51,703
Restricted, all other	2,047,234	-	265,480	2,312,714
Unassigned	(11,224)	-	-	(11,224)
Total fund balances	<u>2,087,713</u>	<u>-</u>	<u>373,847</u>	<u>2,461,560</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,112,512</u>	<u>\$ -</u>	<u>\$ 373,847</u>	<u>\$ 2,486,359</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Permanent Fund	Total
Revenues:				
Ad valorem taxes	\$ 3,246,935	\$ -	\$ -	\$ 3,246,935
Other taxes and licenses	-	3,083,973	-	3,083,973
Sales and services	161,677	-	-	161,677
Restricted intergovernmental revenues	281,415	-	-	281,415
Interest earned on investments	102,221	169,111	16,857	288,189
Local appropriations	14,599	-	-	14,599
Total revenues	<u>3,806,847</u>	<u>3,253,084</u>	<u>16,857</u>	<u>7,076,788</u>
Expenditures:				
Current:				
General government	110,457	-	-	110,457
Public safety	3,492,494	-	-	3,492,494
Human services	53,510	-	-	53,510
Total expenditures	<u>3,656,461</u>	<u>-</u>	<u>-</u>	<u>3,656,461</u>
Revenues over (under) expenditures	150,386	3,253,084	16,857	3,420,327
Other Financing Sources (Uses):				
Transfers out	<u>-</u>	<u>(3,253,084)</u>	<u>-</u>	<u>(3,253,084)</u>
Net change in fund balances	150,386	-	16,857	167,243
Fund Balances:				
Beginning of year - July 1	<u>1,937,327</u>	<u>-</u>	<u>356,990</u>	<u>2,294,317</u>
End of year - June 30	<u>\$ 2,087,713</u>	<u>\$ -</u>	<u>\$ 373,847</u>	<u>\$ 2,461,560</u>

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TRANSYLVANIA COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2024

	Fire Districts Fund	Emergency Telephone System Fund	Narcotics Task Force Fund
Assets:			
Cash and investments	\$ 1,233,140	\$ 730,454	\$ 78,012
Accounts receivable	-	-	-
Taxes receivable, net	11,669	-	-
Due from other governments	17,028	23,451	-
	<u>17,028</u>	<u>23,451</u>	<u>-</u>
Total assets	<u>\$ 1,261,837</u>	<u>\$ 753,905</u>	<u>\$ 78,012</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Due to other governments	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Property taxes receivable	11,669	-	-
Prepaid taxes	1,906	-	-
Total deferred inflows of resources	<u>13,575</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	17,028	23,451	-
Restricted, all other	1,231,234	730,454	78,012
Unassigned	-	-	-
Total fund balances	<u>1,248,262</u>	<u>753,905</u>	<u>78,012</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,261,837</u>	<u>\$ 753,905</u>	<u>\$ 78,012</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2024

	Representative Payee Fund	Fines and Forfeitures Fund	State Deed Fee Fund	Total
Assets:				
Cash and investments	\$ 5,333	\$ -	\$ 2,201	\$ 2,049,140
Accounts receivable	-	11,224	-	11,224
Taxes receivable, net	-	-	-	11,669
Due from other governments	-	-	-	40,479
Total assets	<u>\$ 5,333</u>	<u>\$ 11,224</u>	<u>\$ 2,201</u>	<u>\$ 2,112,512</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Due to other governments	\$ -	\$ 11,224	\$ -	\$ 11,224
Total liabilities	<u>-</u>	<u>11,224</u>	<u>-</u>	<u>11,224</u>
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	11,669
Prepaid taxes	-	-	-	1,906
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,575</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	11,224	-	51,703
Restricted, all other	5,333	-	2,201	2,047,234
Unassigned	-	(11,224)	-	(11,224)
Total fund balances	<u>5,333</u>	<u>-</u>	<u>2,201</u>	<u>2,087,713</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,333</u>	<u>\$ 11,224</u>	<u>\$ 2,201</u>	<u>\$ 2,112,512</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Fire Districts Fund	Emergency Telephone System Fund	Narcotics Task Force Fund
Revenues:			
Ad valorem taxes	\$ 3,246,935	\$ -	\$ -
Sales and services	-	-	-
Restricted intergovernmental	-	281,415	-
Investment earnings	63,289	35,966	2,966
Local appropriations	-	-	14,599
Total revenues	<u>3,310,224</u>	<u>317,381</u>	<u>17,565</u>
Expenditures:			
General government	-	-	-
Public safety	3,201,992	290,502	-
Human services	-	-	-
Total expenditures	<u>3,201,992</u>	<u>290,502</u>	<u>-</u>
Net change in fund balances	108,232	26,879	17,565
Fund Balances:			
Beginning of year - July 1	<u>1,140,030</u>	<u>727,026</u>	<u>60,447</u>
End of year - June 30	<u>\$ 1,248,262</u>	<u>\$ 753,905</u>	<u>\$ 78,012</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Representative Payee Fund	Fines and Forfeitures Fund	State Deed Fee Fund	Total
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 3,246,935
Sales and services	54,265	77,485	29,927	161,677
Restricted intergovernmental	-	-	-	281,415
Investment earnings	-	-	-	102,221
Local appropriations	-	-	-	14,599
Total revenues	<u>54,265</u>	<u>77,485</u>	<u>29,927</u>	<u>3,806,847</u>
Expenditures:				
General government	-	77,485	32,972	110,457
Public safety	-	-	-	3,492,494
Human services	53,510	-	-	53,510
Total expenditures	<u>53,510</u>	<u>77,485</u>	<u>32,972</u>	<u>3,656,461</u>
Net change in fund balances	755	-	(3,045)	150,386
Fund Balances:				
Beginning of year - July 1	<u>4,578</u>	<u>-</u>	<u>5,246</u>	<u>1,937,327</u>
End of year - June 30	<u>\$ 5,333</u>	<u>\$ -</u>	<u>\$ 2,201</u>	<u>\$ 2,087,713</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 3,177,768	\$ 3,238,279	\$ 60,511
Prior year	-	6,361	6,361
Penalties and interest	-	2,295	2,295
Investment earnings	-	63,289	63,289
Total revenues	<u>3,177,768</u>	<u>3,310,224</u>	<u>132,456</u>
Expenditures:			
Public safety:			
Sylvan Valley Fire District	615,547	615,547	-
Rosman Fire District	306,241	355,468	(49,227)
Little River Fire District	349,857	349,857	-
Connestee Falls Fire District	649,312	649,312	-
Cedar Mountain Fire District	88,326	88,326	-
Lake Toxaway Fire District	1,019,198	994,195	25,003
Balsam Grove Fire District	57,951	57,951	-
North Transylvania Fire District	91,336	91,336	-
Total expenditures	<u>3,177,768</u>	<u>3,201,992</u>	<u>(24,224)</u>
Net change in fund balance	<u>\$ -</u>	108,232	<u>\$ 108,232</u>
Fund Balance:			
Beginning of year - July 1		<u>1,140,030</u>	
End of year - June 30		<u>\$ 1,248,262</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 281,415	\$ 281,415	\$ -
Investment earnings	-	35,966	35,966
Total revenues	<u>281,415</u>	<u>317,381</u>	<u>35,966</u>
Expenditures:			
Public safety:			
Phone and furniture	17,000	-	17,000
Software and hardware	720,450	79,015	641,435
Hardware	205,915	205,915	-
Training	20,000	5,572	14,428
Total expenditures	<u>963,365</u>	<u>290,502</u>	<u>672,863</u>
Revenues over (under) expenditures	(681,950)	26,879	708,829
Other Financing Sources (Uses):			
Appropriated fund balance	<u>681,950</u>	<u>-</u>	<u>(681,950)</u>
Net change in fund balance	<u>\$ -</u>	<u>26,879</u>	<u>\$ 26,879</u>
Fund Balance:			
Beginning of year - July 1		<u>727,026</u>	
End of year - June 30		<u>\$ 753,905</u>	

PSAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported on the Emergency Telephone System Fund budget to actual
are different from the PSAP Revenue - Expenditure Report because:

Ending fund balance, reported on Budget to Actual	\$ 753,905
Eligible prior-year expenditures not reported in Emergency Telephone System Fund	<u>36,956</u>
Ending balance, PSAP Revenue - Expenditure Report	<u>\$ 790,861</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

NARCOTICS TASK FORCE FUND **SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES** **IN FUND BALANCE - BUDGET AND ACTUAL** **FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
City of Brevard appropriation	\$ 2,000	\$ 14,599	\$ 12,599
Investment earnings	<u>5,000</u>	<u>2,966</u>	<u>(2,034)</u>
Total revenues	<u>7,000</u>	<u>17,565</u>	<u>10,565</u>
Expenditures:			
Public safety:			
Operating expenses	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net change in fund balance	<u>\$ -</u>	<u>17,565</u>	<u>\$ 17,565</u>
Fund Balance:			
Beginning of year - July 1		<u>60,447</u>	
End of year - June 30		<u>\$ 78,012</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Representative payee revenues	\$ 85,000	\$ 54,265	\$ (30,735)
Expenditures:			
Human services:			
Operating expenses	<u>85,000</u>	<u>53,510</u>	<u>31,490</u>
Net change in fund balance	<u>\$ -</u>	<u>755</u>	<u>\$ 755</u>
Fund Balance:			
Beginning of year - July 1		<u>4,578</u>	
End of year - June 30		<u>\$ 5,333</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

FINES AND FORFEITURES SPECIAL REVENUE FUND **SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES** **IN FUND BALANCE - BUDGET AND ACTUAL** **FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Fines and forfeitures	\$ 125,000	\$ 77,485	\$ (47,515)
Expenditures:			
General government:			
Operating expenses	<u>125,000</u>	<u>77,485</u>	<u>47,515</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u><u>\$ -</u></u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

STATE DEED FEE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
1.5% state fees collected	\$ 30,094	\$ 29,927	\$ (167)
Expenditures:			
General government:			
Operating expenses	<u>30,094</u>	<u>32,972</u>	<u>(2,878)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,045)</u>	<u>\$ (3,045)</u>
Fund Balance:			
Beginning of year - July 1		<u>5,246</u>	
End of year - June 30		<u>\$ 2,201</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Sales tax	\$ 3,106,212	\$ 3,083,973	\$ (22,239)
Interest earnings	146,872	169,111	22,239
Total revenues	<u>3,253,084</u>	<u>3,253,084</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfer to General Fund	(1,153,516)	(1,153,516)	-
Transfer to Education Capital Project Fund	<u>(2,099,568)</u>	<u>(2,099,568)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,253,084)</u>	<u>(3,253,084)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ -</u>	

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earning, not principal, may be used for purposes that support the reporting government's programs.

Silvermont Reserve Fund – This fund accounts for the investment earning on the restricted principal of a bequest to the County for maintenance of a County recreation building.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

PERMANENT FUND - SILVERMONT RESERVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 2,500	\$ 16,857	\$ 14,357
Expenditures:			
Silvermont operating expenditure	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Net change in fund balance	<u>\$ -</u>	16,857	<u>\$ 16,857</u>
Fund Balance:			
Beginning of year - July 1		<u>356,990</u>	
End of year - June 30		<u>\$ 373,847</u>	

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ENTERPRISE FUND

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

Solid Waste Fund – This fund accounts for the operations of the County’s solid waste collection and disposal operations. This fund is financed primarily through solid waste fees and is supplemented by operating transfers from the General Fund.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services			
Solid waste charges	\$ 2,469,741	\$ 2,677,522	\$ 207,781
Recycling	100,000	77,640	(22,360)
Other operating revenues	-	1,316	1,316
Total operating revenues	<u>2,569,741</u>	<u>2,756,478</u>	<u>186,737</u>
Non-operating revenues:			
Investment earnings	70,000	428,363	358,363
Miscellaneous revenue	75,000	88,822	13,822
Total non-operating revenues	<u>145,000</u>	<u>517,185</u>	<u>372,185</u>
Total revenues	<u>2,714,741</u>	<u>3,273,663</u>	<u>558,922</u>
Expenditures:			
Landfill administration and operations:			
Salaries and employee benefits	1,413,938	1,472,269	(58,331)
Other operating expenditures	1,980,720	1,382,521	598,199
Interest and fees paid	-	1,556	(1,556)
Debt principal	39,746	39,746	-
Capital outlay	1,172,163	486,169	685,994
Total expenditures	<u>4,606,567</u>	<u>3,382,261</u>	<u>1,224,306</u>
Revenues over (under) expenditures	<u>(1,891,826)</u>	<u>(108,598)</u>	<u>1,783,228</u>
Other Financing Sources (Uses):			
Transfer in	1,185,925	1,185,925	-
Appropriated fund balance	705,901	-	705,901
Total other financing sources (uses)	<u>1,891,826</u>	<u>1,185,925</u>	<u>(705,901)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,077,327</u>	<u>\$ 1,077,327</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual:			
Revenues and other financing sources over			
(under) expenditures and other financing uses		\$ 1,077,327	
Reconciling items:			
Capital outlay		486,169	
Principal payments		39,746	
Items charged to capital outlay, not capitalized		(1,433,618)	
Change in net pension liability LGERS		(49,870)	
Change in deferred outflows of resources - pension LGERS		(1,300)	
Change in deferred inflows of resources - pension LGERS		(14,906)	
Change in OPEB liability		11,475	
Change in deferred outflows of resources - OPEB		5,821	
Change in compensated absences payable		(5,647)	
Change in closure and post-closure care costs		(477,853)	
Transfer to Multi-year Grant Ordinance Fund		(1,984,803)	
Investment earnings from Water and Sewer Development Fund		95,974	
Capital contributions, revenue from:			
Water and Sewer Development Fund		1,307,238	
Depreciation and amortization		<u>(444,774)</u>	
Change in net position		<u>\$ (1,389,021)</u>	

TRANSYLVANIA COUNTY, NORTH CAROLINA

WATER AND SEWER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
NC Industrial Development Funds	\$ 880,750	\$ 880,751	\$ -	\$ 880,751	\$ 1
NCDEQ Grant	4,866,112	2,209,631	1,277,238	3,486,869	(1,379,243)
Appalachian Regional Commission	300,000	270,000	30,000	300,000	-
Private grant	2,037,500	2,037,500	-	2,037,500	-
Investment earnings	-	102,837	95,974	198,811	198,811
Total revenues	<u>8,084,362</u>	<u>5,500,719</u>	<u>1,403,212</u>	<u>6,903,931</u>	<u>(1,180,431)</u>
Expenditures:					
Town of Rosman Sanitary Sewer Expansion Project	5,487,612	3,378,160	1,277,239	4,655,399	832,213
DHT - ARPA Advantage Infrastructure Project	52,697	52,697	-	52,697	-
Brevard Rosman Water Connect Project	738,500	-	90,879	90,879	647,621
Watershed Reclassifications Project	<u>225,000</u>	<u>-</u>	<u>65,500</u>	<u>65,500</u>	<u>159,500</u>
Total expenditures	<u>6,503,809</u>	<u>3,430,857</u>	<u>1,433,618</u>	<u>4,864,475</u>	<u>1,639,334</u>
Revenues over (under) expenditures	<u>1,580,553</u>	<u>2,069,862</u>	<u>(30,406)</u>	<u>2,039,456</u>	<u>458,903</u>
Other Financing Sources (Uses):					
Transfers in from General Fund	404,250	1,723,429	-	1,723,429	1,319,179
Transfer to other funds	<u>(1,984,803)</u>	<u>-</u>	<u>(1,984,803)</u>	<u>(1,984,803)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,580,553)</u>	<u>1,723,429</u>	<u>(1,984,803)</u>	<u>(261,374)</u>	<u>1,319,179</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,793,291</u>	<u>(2,015,209)</u>	<u>\$ 1,778,082</u>	<u>\$ 1,778,082</u>
Fund Balance:					
Beginning of year - July 1			<u>3,793,291</u>		
End of year - June 30			<u>\$ 1,778,082</u>		

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INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other governmental units on a cost reimbursement basis.

Self-Insurance Internal Service Fund – this fund accounts for the operations of its self-funded intragovernmental group insurance plan.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Health plan contributions	\$ 6,756,807	\$ 5,786,631	\$ (970,176)
Retiree contributions	55,000	23,417	(31,583)
Employee wellness fees	-	41,792	41,792
Total charges for services	<u>6,811,807</u>	<u>5,851,840</u>	<u>(959,967)</u>
Investment earnings	<u>185,000</u>	<u>207,767</u>	<u>22,767</u>
Total revenues	<u>6,996,807</u>	<u>6,059,607</u>	<u>(937,200)</u>
Expenditures:			
Insurance premiums	4,792,730	3,560,249	1,232,481
Administrative costs and stop loss	1,630,332	1,682,665	(52,333)
Retiree/OPEB costs	-	359,343	(359,343)
IBNR claims	326,400	301,105	25,295
Wellness clinic	245,520	190,536	54,984
IRS fees and fines	1,825	3,933	(2,108)
Total operating expenses	<u>6,996,807</u>	<u>6,097,831</u>	<u>898,976</u>
Revenues over (under) expenditures	<u>-</u>	<u>(38,224)</u>	<u>(38,224)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	(530,300)	-	530,300
Transfer from General Fund	<u>530,300</u>	<u>530,300</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>530,300</u>	<u>530,300</u>
Change in net position	<u>\$ -</u>	<u>492,076</u>	<u>\$ 492,076</u>
Net Position:			
Beginning of year - July 1		<u>3,000,392</u>	
End of year - June 30		<u>\$ 3,492,468</u>	

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

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CUSTODIAL FUNDS

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria.

Municipal Tax Fund – this fund accounts for ad valorem and vehicle property taxes that are billed collected by the County for various municipalities within the County but that are not revenues to the County.

Jail Inmate Pay Fund – this fund holds deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and family.

Cooperative Extension Fund – this fund accounts for funds held in trust by the County for employees of North Carolina State University's Cooperative Extension Division.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

JUNE 30, 2024

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Cooperative Extension Fund</u>	<u>Total Custodial Funds</u>
Assets:				
Cash and cash equivalents	\$ 50,741	\$ 65,326	\$ 12,393	\$ 128,460
Taxes receivable from other governments, net	648	-	-	648
Due from other governments	<u>28,718</u>	<u>-</u>	<u>-</u>	<u>28,718</u>
Total assets	<u>80,107</u>	<u>65,326</u>	<u>12,393</u>	<u>157,826</u>
Liabilities:				
Due to other governments	<u>28,437</u>	<u>-</u>	<u>-</u>	<u>28,437</u>
Net Position				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 51,670</u>	<u>\$ 65,326</u>	<u>\$ 12,393</u>	<u>\$ 129,389</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Municipal Tax Fund	Jail Inmate Pay Fund	Cooperative Extension Fund	Total Custodial Funds
Additions:				
Ad valorem taxes for other governments	\$ 480,533	\$ -	\$ -	\$ 480,533
Collections on behalf of others	-	147,665	34,303	181,968
Total additions	<u>480,533</u>	<u>147,665</u>	<u>34,303</u>	<u>662,501</u>
Deductions:				
Tax distributions to other governments	464,524	-	-	464,524
Payments on behalf of others	-	134,642	32,465	167,107
Total deductions	<u>464,524</u>	<u>134,642</u>	<u>32,465</u>	<u>631,631</u>
Change in net position	16,009	13,023	1,838	30,870
Net Position:				
Beginning of year - July 1	<u>35,661</u>	<u>52,303</u>	<u>10,555</u>	<u>98,519</u>
End of year - June 30	<u>\$ 51,670</u>	<u>\$ 65,326</u>	<u>\$ 12,393</u>	<u>\$ 129,389</u>

OTHER SCHEDULES

This section contains additional information on property taxes and transfers.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

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TRANSYLVANIA COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2024

Year Ended June 30	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2024	\$ -	\$ 43,795,323	\$ 43,695,477	\$ 99,846
2023	88,261	-	42,127	46,134
2022	35,398	-	10,984	24,414
2021	27,417	-	6,992	20,425
2020	19,635	-	4,965	14,670
2019	12,806	-	1,852	10,954
2018	7,917	-	1,166	6,751
2017	5,280	-	84	5,196
2016	5,059	-	372	4,687
2015	3,555	-	362	3,193
2014	5,145	-	5,145	-
Total	<u>\$ 210,473</u>	<u>\$ 43,795,323</u>	<u>\$ 43,769,526</u>	<u>236,270</u>

Less allowance for uncollectible ad valorem taxes receivable:

General Fund

141,528**Ad Valorem Taxes Receivable, Net:**

General Fund

\$ 94,742**Reconciliation of Collections and Credits with Revenues:**

Ad valorem taxes - General Fund

\$ 43,844,710

Reconciling items:

Interest

(102,725)

Tax refunds

25,178

Advertising

(1,787)

Adjustments

(995)

Taxes written off

5,145

Total collections and credits

\$ 43,769,526

TRANSYLVANIA COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2024

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
County-wide:					
Property tax	\$ 6,634,379,731	\$ 0.6033	\$ 42,082,783	\$ 40,025,213	\$ 2,057,570
Public utilities	158,171,112	0.6033	954,246	954,246	-
Motor vehicles taxed at prior year's rate	102,921,122	0.6033	620,923	-	620,923
Late list penalties	-		18,677	18,677	-
Total original levy	<u>6,895,471,965</u>		<u>43,676,629</u>	<u>40,998,136</u>	<u>2,678,493</u>
Discoveries:					
Current year taxes	<u>25,961,679</u>	0.6033	<u>156,627</u>	<u>156,627</u>	<u>-</u>
Abatements and Discounts	<u>(5,155,959)</u>		<u>(37,933)</u>	<u>(31,106)</u>	<u>(6,827)</u>
Total property valuation	<u>\$ 6,916,277,685</u>				
Net Levy			43,795,323	41,123,657	2,671,666
Uncollected taxes at June 30, 2024			<u>99,846</u>	<u>99,846</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 43,695,477</u>	<u>\$ 41,023,811</u>	<u>\$ 2,671,666</u>
Current Levy Collection Percentage			<u>99.77%</u>	<u>99.76%</u>	<u>100.00%</u>

STATISTICAL SECTION

The Statistical Section includes data extracted from prior years' financial reports and various other sources.

The information presented in this section does not provide full and adequate disclosure of financial information for prior years required by generally accepted accounting principles. Such information is provided for supplementary analysis purposes and should be relied on only for the purpose specified.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

TRANSYLVANIA COUNTY, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 1
Page 1 of 2

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 38,390,675	\$ 38,026,155	\$ 38,746,154	\$ 38,830,835	\$ 38,987,944
Restricted	4,549,498	5,629,711	5,249,302	5,588,888	5,758,161
Unrestricted	<u>13,915,036</u>	<u>16,237,241</u>	<u>18,156,797</u>	<u>17,160,525</u>	<u>22,357,615</u>
Total Governmental Activities Net Position	<u>\$ 56,855,209</u>	<u>\$ 59,893,107</u>	<u>\$ 62,152,253</u>	<u>\$ 61,580,248</u>	<u>\$ 67,103,720</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 3,851,511	\$ 3,625,348	\$ 3,601,564	\$ 3,402,883	\$ 3,181,547
Unrestricted	<u>1,399,206</u>	<u>1,647,102</u>	<u>1,763,972</u>	<u>1,978,038</u>	<u>2,200,436</u>
Total Business-Type Activities Net Position	<u>\$ 5,250,717</u>	<u>\$ 5,272,450</u>	<u>\$ 5,365,536</u>	<u>\$ 5,380,921</u>	<u>\$ 5,381,983</u>
Primary Government					
Net Investment in Capital Assets	\$ 42,242,186	\$ 41,651,503	\$ 42,347,718	\$ 42,233,718	\$ 42,169,491
Restricted	4,549,498	5,629,711	5,249,302	5,588,888	5,758,161
Unrestricted	<u>15,314,242</u>	<u>17,884,343</u>	<u>19,920,769</u>	<u>19,138,563</u>	<u>24,558,051</u>
Total Primary Government Net Position	<u>\$ 62,105,926</u>	<u>\$ 65,165,557</u>	<u>\$ 67,517,789</u>	<u>\$ 66,961,169</u>	<u>\$ 72,485,703</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 1
Page 2 of 2

UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 38,826,167	\$ 38,739,070	\$ 37,460,724	\$ 38,763,951	\$ 37,414,587
Restricted	6,107,015	8,619,146	11,194,536	12,353,981	14,022,031
Unrestricted	23,036,400	28,190,415	40,727,245	57,535,785	66,729,289
Total Governmental Activities Net Position	<u>\$ 67,969,582</u>	<u>\$ 75,548,631</u>	<u>\$ 89,382,505</u>	<u>\$ 108,653,717</u>	<u>\$ 118,165,907</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 2,917,459	\$ 2,715,354	\$ 3,194,266	\$ 3,579,759	\$ 3,660,900
Unrestricted	2,089,329	2,105,658	5,146,814	5,294,491	3,848,933
Total Business-Type Activities Net Position	<u>\$ 5,006,788</u>	<u>\$ 4,821,012</u>	<u>\$ 8,341,080</u>	<u>\$ 8,874,250</u>	<u>\$ 7,509,833</u>
Primary Government					
Net Investment in Capital Assets	\$ 41,743,626	\$ 41,454,424	\$ 40,654,990	\$ 42,343,710	\$ 41,075,487
Restricted	6,107,015	8,619,146	11,194,536	12,353,981	14,022,031
Unrestricted	25,125,729	30,296,073	45,874,059	62,830,276	70,578,222
Total Primary Government Net Position	<u>\$ 72,976,370</u>	<u>\$ 80,369,643</u>	<u>\$ 97,723,585</u>	<u>\$ 117,527,967</u>	<u>\$ 125,675,740</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 2
Page 1 of 4

UNAUDITED

	2015	2016	2017	2018	2019
Expenses					
Governmental Activities:					
General Government	\$ 5,195,765	\$ 5,617,567	\$ 5,591,288	\$ 5,337,831	\$ 6,539,571
Public Safety	14,908,286	15,700,514	16,364,189	16,549,027	18,080,312
Transportation	426,860	436,509	472,854	438,101	473,479
Economic and Physical Development	1,330,900	1,178,119	1,250,752	3,689,164	3,909,273
Human Services	8,795,596	9,037,670	9,591,901	8,750,207	9,275,906
Cultural and Recreational	2,113,365	2,435,648	2,529,905	2,451,013	2,429,616
Education	13,046,493	12,649,134	13,797,948	14,630,014	14,811,808
Interest on Long-Term Obligations	276,292	222,024	153,568	111,948	84,009
Total Governmental Activities Expenses	46,093,557	47,277,185	49,752,405	51,957,305	55,603,974
Business-Type Activities:					
Solid Waste Department	1,452,623	2,085,608	2,371,592	2,480,832	2,648,519
Total Business-Type Activities Expenses	1,452,623	2,085,608	2,371,592	2,480,832	2,648,519
Total Primary Government Expenses	\$ 47,546,180	\$ 49,362,793	\$ 52,123,997	\$ 54,438,137	\$ 58,252,493
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 243,347	\$ 377,649	\$ 383,751	\$ 460,006	\$ 461,517
Public Safety	3,117,738	3,321,413	3,438,424	3,123,749	3,613,503
Transportation	4,592	4,458	7,584	7,186	4,610
Economic and Physical Development	10,442	11,843	14,636	63,448	59,850
Human Services	413,551	452,565	470,649	524,480	562,131
Cultural and Recreational	75,250	91,236	95,276	110,850	106,772
Operating Grants and Contributions:					
General Government	35,954	37,754	34,713	29,734	45,851
Public Safety	602,807	526,811	511,487	508,296	1,394,008
Transportation	259,300	222,422	400,036	322,609	371,524
Economic and Physical Development	70,006	50,128	101,782	49,852	155,233
Human Services	5,874,581	5,910,356	6,049,701	4,979,877	5,272,651
Cultural and Recreational	166,849	120,076	156,178	117,451	112,549
Education	667,751	205,430	288,609	739,363	142,339
Capital Grants and Contributions:					
Public Safety	-	-	-	-	-
Economic and Physical Development	289,415	-	-	-	-
Cultural and Recreational	-	181,350	-	212,000	-
Total Governmental Activities Program Revenues	11,831,583	11,513,491	11,952,826	11,248,901	12,302,538
Business-Type Activities:					
Charge for Services - Proprietary	1,440,395	1,706,101	1,790,349	1,790,349	1,959,273
Operating Grants and Contributions - Proprietary	57,327	19,982	46,596	46,596	11,417
Capital Grants and Contributions - Proprietary	-	-	-	-	-
Total Business-Type Activities Program Revenues	1,497,722	1,726,083	1,836,945	1,836,945	1,970,690
Total Primary Government Program Revenues	\$ 13,329,305	\$ 13,239,574	\$ 13,789,771	\$ 13,085,846	\$ 14,273,228
Net (Expense)/Revenue					
Governmental Activities	\$ (34,261,974)	\$ (35,763,694)	\$ (37,799,579)	\$ (40,708,404)	\$ (43,301,436)
Business-Type Activities	45,099	(359,525)	(534,647)	(643,887)	(677,829)
Total Primary Government Net (Expense)/Revenue	\$ (34,216,875)	\$ (36,123,219)	\$ (38,334,226)	\$ (41,352,291)	\$ (43,979,265)

TRANSYLVANIA COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 2
Page 2 of 4

UNAUDITED

	2020	2021	2022	2023	2024
Expenses					
Governmental Activities:					
General Government	\$ 11,187,376	\$ 8,559,311	\$ 10,707,793	\$ 11,330,489	\$ 11,403,366
Public Safety	20,353,781	21,026,946	21,532,655	23,571,826	26,281,828
Transportation	425,220	513,884	578,573	591,348	679,629
Economic and Physical Development	2,281,527	2,821,683	3,246,525	3,254,918	3,963,796
Human Services	9,901,274	10,453,187	10,468,611	11,089,849	11,864,345
Cultural and Recreational	2,738,556	2,402,400	2,506,844	2,833,541	2,853,092
Education	16,122,166	16,623,947	14,940,995	16,204,467	18,249,625
Interest on Long-Term Obligations	69,953	56,828	53,240	42,718	218,694
Total Governmental Activities Expenses	<u>63,079,853</u>	<u>62,458,186</u>	<u>64,035,236</u>	<u>68,919,156</u>	<u>75,514,375</u>
Business-Type Activities:					
Solid Waste Department	2,968,718	3,057,960	4,253,930	6,894,209	5,267,018
Total Business-Type Activities Expenses	<u>2,968,718</u>	<u>3,057,960</u>	<u>4,253,930</u>	<u>6,894,209</u>	<u>5,267,018</u>
Total Primary Government Expenses	<u>\$ 66,048,571</u>	<u>\$ 65,516,146</u>	<u>\$ 68,289,166</u>	<u>\$ 75,813,365</u>	<u>\$ 80,781,393</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 197,979	\$ 311,432	\$ 1,567,413	\$ 1,081,407	\$ 1,138,484
Public Safety	2,923,983	3,131,439	3,299,437	4,084,421	4,380,485
Transportation	10,152	37	2,190	5,622	4,159
Economic and Physical Development	4,370	2,575	2,500	2,865	2,455
Human Services	593,746	601,563	629,423	649,296	604,438
Cultural and Recreational	80,785	108,142	137,518	147,000	147,660
Operating Grants and Contributions:					
General Government	82,570	1,421,064	4,627,292	415,384	387,430
Public Safety	1,748,036	539,973	979,707	801,401	962,319
Transportation	295,517	520,115	371,008	268,962	403,713
Economic and Physical Development	24,908	-	1,105	2,695,860	869,213
Human Services	4,797,017	5,637,232	6,024,413	7,906,800	5,241,366
Cultural and Recreational	317,131	320,530	123,375	421,652	181,730
Education	132,099	176,334	-	-	-
Capital Grants and Contributions:					
Public Safety	-	-	125,000	600,000	-
Economic and Physical Development	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>11,208,293</u>	<u>12,770,436</u>	<u>17,890,381</u>	<u>19,080,670</u>	<u>14,323,452</u>
Business-Type Activities:					
Charge for Services - Proprietary	1,874,376	2,207,317	2,886,550	2,921,332	2,781,082
Operating Grants and Contributions - Proprietary	37,199	76,165	79,593	89,602	88,822
Capital Grants and Contributions - Proprietary	-	-	2,338,641	3,059,241	1,307,238
Total Business-Type Activities Program Revenues	<u>1,911,575</u>	<u>2,283,482</u>	<u>5,304,784</u>	<u>6,070,175</u>	<u>4,177,142</u>
Total Primary Government Program Revenues	<u>\$ 13,119,868</u>	<u>\$ 15,053,918</u>	<u>\$ 23,195,165</u>	<u>\$ 25,150,845</u>	<u>\$ 18,500,594</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (59,034,278)	\$ (49,687,930)	\$ (46,144,855)	\$ (49,838,486)	\$ (61,190,923)
Business-Type Activities	(1,057,143)	(774,478)	1,050,854	(824,034)	(1,089,876)
Total Primary Government Net (Expense)/Revenue	<u>\$ (60,091,421)</u>	<u>\$ (50,462,408)</u>	<u>\$ (45,094,001)</u>	<u>\$ (50,662,520)</u>	<u>\$ (62,280,799)</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 2
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UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 30,292,321	\$ 30,710,092	\$ 32,363,790	\$ 33,311,358	\$ 33,780,721
Local Option Sales Tax	7,011,688	7,380,626	7,896,435	8,409,583	9,274,860
Other Taxes and Licenses	610,459	637,714	719,510	782,387	1,811,145
Grants and Contributions Not Restricted	437,463	383,029	398,562	390,616	396,150
Investment Earnings	11,812	65,131	132,715	403,904	633,733
Miscellaneous	129,530	-	-	-	-
Transfers	(972,139)	(375,000)	(626,117)	(626,117)	(506,901)
Total Governmental Activities:	<u>37,521,134</u>	<u>38,801,592</u>	<u>40,884,895</u>	<u>42,671,731</u>	<u>45,389,708</u>
Business-Type Activities:					
Investment Earnings	530	6,258	1,616	17	171,990
Transfers	972,139	375,000	626,117	624,722	506,901
Total Business-Type Activities	<u>972,669</u>	<u>381,258</u>	<u>627,733</u>	<u>624,739</u>	<u>678,891</u>
Total Primary Government	<u>\$ 38,493,803</u>	<u>\$ 39,182,850</u>	<u>\$ 41,512,628</u>	<u>\$ 43,296,470</u>	<u>\$ 46,068,599</u>
Change in Net Position					
Governmental Activities	\$ 3,259,160	\$ 3,037,898	\$ 3,085,316	\$ 1,964,722	\$ 5,523,472
Business-Type Activities	<u>1,017,768</u>	<u>21,733</u>	<u>93,086</u>	<u>154,911</u>	<u>1,062</u>
Total Primary Government	<u>\$ 4,276,928</u>	<u>\$ 3,059,631</u>	<u>\$ 3,178,402</u>	<u>\$ 2,119,633</u>	<u>\$ 5,524,534</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 2
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UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 40,556,105	\$ 41,617,678	\$ 45,017,239	\$ 46,192,672	\$ 47,099,412
Local Option Sales Tax	9,841,680	12,273,052	13,296,729	14,614,137	14,962,486
Other Taxes and Licenses	1,857,306	3,341,157	3,542,542	3,209,565	3,214,438
Grants and Contributions Not Restricted	545,280	545,696	523,366	549,921	646,302
Investment Earnings	388,301	9,361	116,600	2,501,405	4,251,597
Miscellaneous	-	-	-	-	-
Transfers	(551,250)	(570,150)	(2,453,493)	(1,162,672)	798,878
Total Governmental Activities:	<u>52,637,422</u>	<u>57,216,794</u>	<u>60,042,983</u>	<u>65,905,028</u>	<u>67,758,675</u>
Business-Type Activities:					
Investment Earnings	130,698	18,552	12,960	194,532	524,337
Transfers	551,250	570,150	2,453,493	1,162,672	(798,878)
Total Business-Type Activities	<u>681,948</u>	<u>588,702</u>	<u>2,466,453</u>	<u>1,357,204</u>	<u>(274,541)</u>
Total Primary Government	<u>\$ 53,319,370</u>	<u>\$ 57,805,496</u>	<u>\$ 62,509,436</u>	<u>\$ 67,262,232</u>	<u>\$ 67,484,134</u>
Change in Net Position					
Governmental Activities	\$ 865,862	\$ 7,528,864	\$ 13,898,128	\$ 16,066,542	\$ 9,512,190
Business-Type Activities	<u>(375,195)</u>	<u>(185,776)</u>	<u>3,517,307</u>	<u>533,170</u>	<u>(1,364,417)</u>
Total Primary Government	<u>\$ 490,667</u>	<u>\$ 7,343,088</u>	<u>\$ 17,415,435</u>	<u>\$ 16,599,712</u>	<u>\$ 8,147,773</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES, TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 3
Page 1 of 2

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Property Tax	\$ 30,292,321	\$ 32,363,790	\$ 33,311,358	\$ 33,311,358	\$ 33,780,721
Local Option Sales Tax	7,011,688	7,896,435	8,409,583	8,409,583	9,274,860
Other Taxes and Licenses	610,459	719,510	782,387	782,387	886,876
Total	<u>\$ 37,914,468</u>	<u>\$ 40,979,735</u>	<u>\$ 42,503,328</u>	<u>\$ 42,503,328</u>	<u>\$ 43,942,457</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES, TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

TABLE 3
Page 2 of 2

UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Property Tax	\$ 40,556,105	\$ 41,617,678	\$ 45,017,239	\$ 46,192,672	\$ 47,099,412
Local Option Sales Tax	9,841,680	12,273,052	13,296,729	14,614,137	14,692,486
Other Taxes and Licenses	<u>1,857,306</u>	<u>3,449,707</u>	<u>3,542,542</u>	<u>3,209,565</u>	<u>3,214,438</u>
Total	<u>\$ 52,255,091</u>	<u>\$ 57,340,437</u>	<u>\$ 61,856,510</u>	<u>\$ 64,016,374</u>	<u>\$ 65,006,336</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

TABLE 4
Page 1 of 2

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Non Spendable	\$ 41,292	\$ 49,334	\$ 58,479	\$ 37,238	\$ 4,890,501
Restricted	3,830,798	3,740,541	4,197,315	4,589,513	4,599,378
Committed	2,577,398	2,997,152	3,458,830	4,601,399	4,847,861
Assigned	4,934,391	5,530,465	8,869,332	11,948,237	15,239,620
Unassigned	<u>12,777,784</u>	<u>12,458,799</u>	<u>10,856,324</u>	<u>5,415,837</u>	<u>4,200,521</u>
Total General Fund	<u>\$ 24,161,663</u>	<u>\$ 24,776,291</u>	<u>\$ 27,440,280</u>	<u>\$ 26,592,224</u>	<u>\$ 33,777,881</u>
All other governmental funds					
Non Spendable	\$ 108,367	\$ 108,367	\$ 108,367	\$ 108,367	\$ 108,367
Restricted	632,458	1,802,928	864,994	819,034	967,933
Committed:	339,702	-	-	2,233,372	656,939
Assigned:	235,388	226,283	436,946	239,032	253,212
Unassigned:	<u>-</u>	<u>(14,531)</u>	<u>-</u>	<u>(3,470)</u>	<u>-</u>
Total Other Gov't Funds	<u>\$ 1,315,915</u>	<u>\$ 2,123,047</u>	<u>\$ 1,410,307</u>	<u>\$ 3,396,335</u>	<u>\$ 1,986,451</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

TABLE 4
Page 2 of 2

UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund					
Non Spendable	\$ 5,019,685	\$ 4,484,389	\$ 4,232,299	\$ 3,940,988	\$ 4,286,403
Restricted	4,513,568	6,840,997	9,028,907	9,548,578	7,924,041
Committed	4,727,240	4,756,927	1,938,667	1,938,667	2,010,530
Assigned	13,767,414	14,364,665	16,896,465	19,689,595	19,966,020
Unassigned	<u>5,485,888</u>	<u>5,783,959</u>	<u>5,145,493</u>	<u>7,862,205</u>	<u>15,812,561</u>
Total General Fund	<u>\$ 33,513,795</u>	<u>\$ 36,230,937</u>	<u>\$ 37,241,831</u>	<u>\$ 42,980,033</u>	<u>\$ 49,999,555</u>
All other governmental funds					
Non Spendable	\$ 108,367	\$ 108,367	\$ 108,367	\$ 2,439,441	\$ 2,368,529
Restricted	1,314,117	1,587,288	1,972,562	2,616,088	6,592,308
Committed:	3,983,035	8,313,873	17,522,884	26,729,619	29,925,021
Assigned:	-	-	-	-	-
Unassigned:	<u>-</u>	<u>(263,450)</u>	<u>(123,461)</u>	<u>(2,414,482)</u>	<u>(3,369,623)</u>
Total Other Gov't Funds	<u>\$ 5,405,519</u>	<u>\$ 9,746,078</u>	<u>\$ 19,480,352</u>	<u>\$ 29,370,666</u>	<u>\$ 35,516,235</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

TABLE 5
Page 1 of 2

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Taxes:					
Property	\$ 30,306,310	\$ 30,716,913	\$ 32,357,674	\$ 33,305,513	\$ 33,744,507
Sales	7,011,688	7,380,626	7,896,435	8,409,583	9,274,860
Other	610,459	637,714	719,510	782,387	886,876
Intergovernmental	8,192,073	7,551,642	7,877,236	7,034,353	6,982,355
Permits and Fees	431,325	491,974	649,025	549,317	646,068
Sales and Services	3,362,263	3,576,239	3,607,609	3,413,806	8,278,402
Donations and Grants	134,878	45,584	36,582	315,445	903,663
Investment Earnings	8,700	62,019	129,603	402,098	633,733
Miscellaneous	278,037	231,081	180,936	326,596	536,813
Total Revenues	<u>50,335,733</u>	<u>50,693,792</u>	<u>53,454,610</u>	<u>54,539,098</u>	<u>61,887,277</u>
Expenditures					
General Government	5,182,733	5,745,339	6,183,268	5,225,762	6,483,744
Public Safety	14,583,400	15,192,363	15,922,422	16,412,183	17,941,200
Transportation	-	425,904	539,499	466,635	547,773
Economic Development	1,342,574	1,178,868	1,246,243	3,690,316	3,905,716
Human Services	9,315,804	8,957,031	9,397,368	8,816,382	9,128,177
Culture and Recreation	2,257,226	2,291,634	2,429,755	2,488,951	2,218,231
Education	13,046,493	13,191,706	13,771,992	14,604,058	14,785,852
Capital Outlay	1,012,106	1,263,390	-	-	-
Debt Service:					
Principal	2,346,832	2,225,219	1,216,987	947,936	508,889
Interest	307,469	250,913	169,710	124,181	87,264
Total Expenditures	<u>49,394,637</u>	<u>50,722,367</u>	<u>50,877,244</u>	<u>52,776,404</u>	<u>55,606,846</u>
Excess of Revenues Over (Under) Expenditures	<u>941,096</u>	<u>(28,575)</u>	<u>2,577,366</u>	<u>1,762,694</u>	<u>6,280,431</u>
Other Financing Sources (Uses)					
Lease Obligations Issued	-	17,878	-	-	-
Lease Liabilities Issued	-	-	-	-	-
Subscription Liabilities Issued	-	-	-	-	-
Transfers In	353,894	120,810	2,086	4,126,397	699,276
Transfers Out	(1,326,033)	(495,810)	(628,203)	(4,751,119)	(1,203,934)
Proceeds from Financing	-	1,807,457	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(972,139)</u>	<u>1,450,335</u>	<u>(626,117)</u>	<u>(624,722)</u>	<u>(504,658)</u>
Net Change in Fund Balances	<u>\$ (31,043)</u>	<u>\$ 1,421,760</u>	<u>\$ 1,951,249</u>	<u>\$ 1,137,972</u>	<u>\$ 5,775,773</u>
Capital Asset Expenditures	<u>\$ 2,071,081</u>	<u>\$ 3,745,876</u>	<u>\$ 2,196,973</u>	<u>\$ 1,667,611</u>	<u>\$ 2,045,773</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>5.6%</u>	<u>5.3%</u>	<u>2.8%</u>	<u>2.1%</u>	<u>1.1%</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

TABLE 5
Page 2 of 2

UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues					
Taxes:					
Property	\$ 40,527,347	\$ 41,612,209	\$ 45,025,007	\$ 46,206,781	\$ 47,091,645
Sales	9,841,680	12,273,052	13,296,729	14,614,137	14,692,486
Other	1,857,306	3,449,707	3,542,542	3,209,565	3,214,438
Intergovernmental	7,451,234	8,659,012	12,642,452	11,229,680	9,330,968
Permits and Fees	542,123	725,464	822,322	819,753	936,610
Sales and Services	2,971,175	3,392,436	3,737,036	4,318,956	4,401,816
Donations and Grants	412,772	90,536	106,005	71,856	173,341
Investment Earnings	388,301	9,361	104,616	2,369,349	4,043,830
Miscellaneous	297,717	414,439	1,081,293	766,825	833,301
Total Revenues	<u>64,289,655</u>	<u>70,626,216</u>	<u>80,358,002</u>	<u>83,606,902</u>	<u>84,718,435</u>
Expenditures					
General Government	9,562,382	9,551,287	9,536,679	9,396,653	10,171,532
Public Safety	20,058,435	20,840,231	21,262,883	23,750,922	29,341,915
Transportation	367,467	591,117	568,274	692,241	721,629
Economic Development	2,272,459	2,813,182	3,252,077	3,241,829	3,954,528
Human Services	9,521,054	10,076,949	10,485,917	10,596,411	11,420,727
Culture and Recreation	2,424,586	2,254,688	2,367,281	2,803,737	2,530,942
Education	16,096,139	16,597,991	15,611,549	16,204,467	18,249,625
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	421,978	519,152	599,454	550,637	839,393
Interest	73,771	60,112	56,472	45,250	205,062
Total Expenditures	<u>60,798,271</u>	<u>63,304,709</u>	<u>63,740,586</u>	<u>67,282,147</u>	<u>77,435,353</u>
Excess of Revenues Over (Under) Expenditures	<u>6,280,431</u>	<u>7,321,507</u>	<u>16,617,416</u>	<u>16,324,755</u>	<u>7,283,082</u>
Other Financing Sources (Uses)					
Capital Lease Obligations Issued	-	455,147	-	-	-
Lease Liabilities Issued	-	-	696,510	96,493	-
Subscription Liabilities Issued	-	-	-	196,178	20,752
Transfers In	6,206,728	6,200,000	12,707,575	13,806,438	6,072,462
Transfers Out	(6,757,978)	(6,770,150)	(19,301,371)	(14,969,110)	(5,803,884)
Proceeds from Financing	-	-	-	-	5,500,000
Proceeds from Sale of Assets	-	15,860	25,038	173,762	92,679
Total Other Financing Sources (Uses)	<u>(551,250)</u>	<u>(99,143)</u>	<u>(5,872,248)</u>	<u>(696,239)</u>	<u>5,882,009</u>
Net Change in Fund Balances	<u>\$ 5,729,181</u>	<u>\$ 7,222,364</u>	<u>\$ 10,745,168</u>	<u>\$ 15,628,516</u>	<u>\$ 13,165,091</u>
Capital Asset Expenditures	<u>\$ 2,397,513</u>	<u>\$ 2,110,491</u>	<u>\$ 1,615,475</u>	<u>\$ 3,292,162</u>	<u>\$ 5,310,856</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.8%</u>	<u>0.9%</u>	<u>1.1%</u>	<u>0.9%</u>	<u>1.4%</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 6
Page 1 of 2

UNAUDITED

Fiscal Year	Assessed Real Property				Business & Personal Property	Motor Vehicles
	Residential Property	Commercial Property	Industrial Property	Present-Use Value Property		
2015	\$ 4,872,870,761	\$ 654,896,272	\$ 19,543,080	\$ 34,227,630	\$ 123,069,054	\$ 271,843,835
2016	4,902,001,241	655,795,543	22,718,280	34,309,780	113,984,029	275,754,915
2017	4,520,762,730	615,324,830	11,262,850	35,949,970	110,981,742	291,637,199
2018	4,587,853,789	622,994,390	12,799,140	34,733,510	120,722,469	312,685,009
2019	4,878,092,313	618,619,646	14,042,640	33,288,040	125,778,314	314,061,107
2020	4,993,096,350	633,976,329	14,042,640	34,454,380	129,162,868	349,174,893
2021	5,040,167,342	640,068,822	14,042,640	35,135,730	137,973,687	363,246,692
2022	5,807,042,311	746,064,019	15,119,670	35,299,030	137,335,592	388,635,554
2023	5,884,503,014	756,969,231	15,119,670	35,111,120	157,205,682	422,318,316
2024	5,980,009,603	769,962,693	15,119,670	36,001,690	168,978,612	434,628,139

Source: Annual County Report of Valuation and Property Tax Levies
Transylvania County Tax Department

Note: Real property was revalued on January 1, 2016 and January 1, 2021.
The rates are per \$100 of assessed value.

TRANSYLVANIA COUNTY, NORTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 6
Page 2 of 2

UNAUDITED

<u>Fiscal Year</u>		<u>Public Service Companies</u>		<u>Total Taxable Assessed Value</u>		<u>Total Direct Tax Rate</u>		<u>Estimated Actual Taxable Value</u>		<u>Sales Assessment Ratio</u>
2015	\$	122,471,320	\$	6,098,921,952	\$	0.4499	\$	5,802,970,459		105%
2016		119,489,707		6,124,053,495		0.4499		6,130,797,372		100%
2017		125,228,705		5,711,148,026		0.5110		5,717,437,207		100%
2018		125,429,145		5,817,217,452		0.5110		5,992,806,688		97%
2019		122,520,319		6,106,402,379		0.5110		6,442,711,942		95%
2020		124,308,132		6,278,215,592		0.6360		6,801,230,194		92%
2021		116,731,987		6,347,366,900		0.6360		7,578,040,712		84%
2022		138,526,032		7,268,022,208		0.6033		8,570,780,906		85%
2023		146,838,243		7,418,065,276		0.6033		11,151,631,503		67%
2024		158,975,739		7,563,676,146		0.6033		12,454,595,992		61%

TRANSYLVANIA COUNTY, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TABLE 7
Page 1 of 2

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Transylvania County					
Direct Rate*	\$ 0.4499	\$ 0.5110	\$ 0.5110	\$ 0.5110	\$ 0.5110
<u>Municipality Rates:</u>					
City of Brevard	0.4725	0.4725	0.4725	0.5100	0.5100
Town of Rosman	0.4100	0.4400	0.4800	0.4800	0.4400
<u>Fire Districts:</u>					
Brevard	0.044	0.039	0.039	0.055	0.055
Rosman	0.098	0.109	0.109	0.116	0.121
Little River	0.085	0.088	0.088	0.091	0.091
Conneetee Falls	0.066	0.067	0.067	0.077	0.083
Cedar Mountain	0.112	0.133	0.133	0.138	0.138
Lake Toxaway	0.036	0.046	0.046	0.048	0.054
Balsam Grove	0.106	0.109	0.110	0.110	0.112
North Transylvania	0.128	0.128	0.128	0.128	0.140

Source: Transylvania County Tax Department

Note: Real property was revalued for FY 2022, effective Jan 1, 2021.

* The County-wide direct property tax rate is shown above; there are no component rates.

TRANSYLVANIA COUNTY, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TABLE 7
Page 2 of 2

UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Transylvania County					
Direct Rate*	\$ 0.6360	\$ 0.6360	\$ 0.6033	\$ 0.6033	\$ 0.6033
<u>Municipality Rates:</u>					
City of Brevard	0.5100	0.5100	0.4500	0.4800	0.4800
Town of Rosman	0.4400	0.4400	0.4400	0.4600	0.4600
<u>Fire Districts:</u>					
Brevard	0.055	0.060	0.050	0.055	0.055
Rosman	0.055	0.060	0.050	0.055	0.055
Little River	0.055	0.060	0.050	0.055	0.055
Connestee Falls	0.055	0.060	0.050	0.055	0.055
Cedar Mountain	0.055	0.060	0.050	0.055	0.055
Lake Toxaway	0.055	0.060	0.050	0.055	0.055
Balsam Grove	0.055	0.060	0.050	0.055	0.055
North Transylvania	0.055	0.060	0.050	0.055	0.055

TRANSYLVANIA COUNTY, NORTH CAROLINA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

TABLE 8

UNAUDITED

Taxpayer	Type of Business	Fiscal Year 2024				Fiscal Year 2015			
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
Duke Energy Corp	Electric utility	\$ 201,057,273	1	2.66%		\$ 57,033,184	1	0.94%	
MH Transylvania Regional	Hospital / Medical	34,701,350	2	0.46%					
Citizens Telephone Co (Comporium)	Communications utility	43,823,096	3	0.58%		35,984,022	2	0.59%	
Haywood Electric Member Corp	Electric utility	50,296,554	4	0.66%		22,380,020	5	0.37%	
Brevard Retirement Investors	Retirement home facilities	22,649,760	5	0.30%		22,498,210	4	0.37%	
Gaia Herbs Inc	Manufacturing	20,017,818	7	0.26%					
Lake Toxaway Company	Real estate development	16,908,360	6	0.22%		15,063,270	9	0.25%	
Ingles Markets Inc #67	Retail Grocery Store	14,224,480	8	0.19%		14,832,157	10	0.24%	
Davidson River Village	Real estate development	12,257,300	9	0.16%					
Duke Ventures, LLC	Real estate development	11,873,790	10	0.16%					
Champion Cattle & Tree Farms	Real estate development					27,726,864	3	0.45%	
Asheville Savings Bank	Bank					20,803,630	6	0.34%	
Excelsior Packaging Group	Manufacturing					19,712,248	7	0.32%	
159 Babcock Company LLC	Real estate development					17,870,570	8	0.29%	
Totals		\$ 427,809,781		5.65%		\$ 253,904,175		4.16%	

Source: Transylvania County Tax Assessor

**TRANSYLVANIA COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

TABLE 9

UNAUDITED

Fiscal Year Ended June 30	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 27,436,607	\$ 27,399,573	99.87%	\$ 31,082	\$ 27,430,655	99.98%
2016	27,575,417	27,540,474	99.87%	25,189	27,565,663	99.96%
2017	29,228,388	29,177,546	99.83%	38,979	29,216,525	99.96%
2018	29,830,035	29,690,738	99.53%	124,430	29,815,168	99.95%
2019	29,973,389	29,919,498	99.82%	15,793	29,935,291	99.87%
2020	37,762,428	37,679,542	99.78%	41,446	37,720,988	99.89%
2021	38,563,557	38,491,453	99.81%	44,659	38,536,112	99.93%
2022	42,109,092	42,039,886	99.84%	39,543	42,079,429	99.93%
2023	42,980,741	42,892,480	99.79%	56,080	42,948,560	99.93%
2024	43,795,323	43,695,477	99.77%	68,155	43,763,632	99.93%

TRANSYLVANIA COUNTY, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 10
Page 1 of 2

UNAUDITED

Fiscal Year	Governmental Activities						
	General Obligation Bonds	General Obligation Bonds- Premium	Qualified School Construction Bonds	Installment Financing Contract	Capital Lease	Lease Liabilities	Subscription Liabilities
2015	\$ 3,140,000	\$ 8,030	\$ 757,038	\$ 1,643,335	\$ 26,578	\$ -	\$ -
2016	1,300,000	4,918	648,890	3,197,210	20,967	-	-
2017	520,000	1,806	540,742	2,883,380	5,958	-	-
2018	-	-	432,592	2,569,548	-	-	-
2019	-	-	324,446	2,168,809	-	-	-
2020	-	-	223,079	1,854,979	-	-	-
2021	-	-	108,150	1,541,149	357,973	-	-
2022	-	-	-	1,227,319	-	519,036	-
2023	-	-	-	913,489	-	411,774	163,126
2024	-	-	-	5,830,325	-	229,180	110,243

TRANSYLVANIA COUNTY, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 10
Page 2 of 2

UNAUDITED

Business-type Activities						
Fiscal Year	Capital Lease	Lease Liabilities	Total Primary Government	Percentage of Personal Income (1)	Per Capita	
2015	\$ -	\$ -	5,574,981	0.51%	167	
2016	-	-	5,171,985	0.44%	153	
2017	-	-	3,951,886	0.30%	116	
2018	-	-	3,002,140	0.22%	87	
2019	-	-	2,493,255	0.17%	70	
2020	-	-	2,078,058	0.14%	58	
2021	149,273	-	2,156,545	0.14%	60	
2022	201,375	-	1,947,730	0.13%	54	
2023	-	70,341	1,558,730	0.11%	47	
2024	-	30,595	6,200,343	0.36%	186	

**TRANSYLVANIA COUNTY, NORTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

TABLE 11

UNAUDITED

Fiscal Year Ended June 30	General Bonded Debt Outstanding				Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds- Premium	Less: Amounts Available in Debt Service Funds	Total			
2015	\$ 3,140,000	\$ 8,030	\$ -	\$ 3,148,030	0.47%	0.05%	94
2016	520,000	4,918	-	524,918	0.29%	0.01%	39
2017	520,000	-	-	520,000	0.11%	0.01%	15
2018	-	-	-	-	0.00%	n/a	n/a
2019	-	-	-	-	0.00%	n/a	n/a
2020	-	-	-	-	0.00%	n/a	n/a
2021	-	-	-	-	0.00%	n/a	n/a
2022	-	-	-	-	0.00%	n/a	n/a
2023	-	-	-	-	0.00%	n/a	n/a
2024	-	-	-	-	0.00%	n/a	n/a

Notes: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

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**TRANSYLVANIA COUNTY, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

TABLE 12
Page 1 of 2

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 487,871	\$ 490,429	\$ 458,280	\$ 465,648	\$ 459,307
Total Net Debt Applicable to Debt Limit	<u>5,575</u>	<u>5,172</u>	<u>3,009</u>	<u>3,002</u>	<u>2,493</u>
Legal Debt Margin	<u>\$ 482,296</u>	<u>\$ 485,257</u>	<u>\$ 455,271</u>	<u>\$ 462,646</u>	<u>\$ 456,814</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>1.1%</u>	<u>1.1%</u>	<u>0.7%</u>	<u>0.6%</u>	<u>0.5%</u>

Legal Debt Margin Calculation for Fiscal Year 2024

Total Assessed Value	\$ <u>6,916,277,685</u>
Debt Limit (8% of Total Assessed Value)	\$ 553,302,215
Amount of Debt Applicable to Debt Limit: Installment Contracts	<u>5,830,325</u>
Total Amount of Debt Applicable to Debt Limit	<u>5,830,325</u>
Legal Debt Margin	\$ <u>547,471,890</u>

Note: NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit and represents the County's legal borrowing authority and funding and refunding bonds not yet issued.

TRANSYLVANIA COUNTY, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 12
Page 2 of 2

UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 476,103	\$ 485,025	\$ 558,354	\$ 569,881	\$ 553,302
Total Net Debt Applicable to Debt Limit	<u>2,071</u>	<u>1,227</u>	<u>1,227</u>	<u>913</u>	<u>5,830</u>
Legal Debt Margin	<u>\$ 474,032</u>	<u>\$ 483,798</u>	<u>\$ 557,126</u>	<u>\$ 568,967</u>	<u>\$ 547,472</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>0.4%</u>	<u>0.3%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>1.1%</u>

**TRANSYLVANIA COUNTY, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

TABLE 13

UNAUDITED

Fiscal Year Ended June 30	Population(1)	Personal Income (2)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)
2015	33,428	\$ 1,094,188,000	\$ 33,112	3,523	6.00%
2016	33,745	1,178,560,000	35,487	3,462	4.80%
2017	34,139	1,331,011,332	38,988	3,402	4.20%
2018	34,575	1,392,127,800	40,264	3,397	4.00%
2019	35,777	1,505,138,390	42,070	3,329	4.30%
2020	35,806	1,522,292,090	42,515	3,326	5.90%
2021	33,165	1,484,034,255	44,747	3,145	4.40%
2022	33,361	1,743,178,972	52,252	3,202	3.70%
2023	33,549	1,858,815,894	55,406	3,221	3.30%
2024	34,103	2,051,636,480	60,160	3,312	3.60%

Data Sources:

- (1) Population projections from the U.S. Census survey and projection estimates
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year.
- (3) N.C. Department of Public Instruction, First Month Average Daily Membership.
- (4) Unemployment rates as of the end of the fiscal year from the N.C. Department of Commerce.

**TRANSYLVANIA COUNTY, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE 14

UNAUDITED

Employer	FY 2024		FY 2015	
	Employees	Rank	Employees	Rank
Transylvania County Government	250-499	1	250-499	2
Transylvania County Schools	250-499	2	500-999	1
Ingles Markets, Inc.	250-499	3	100-249	4
Transylvania Regional Hospital	100-249	4	250-499	3
Gaia Herbs	100-249	5	100-249	8
Brevard Music Center	100-249	6	100-249	12
Brevard College	100-249	7	100-249	5
Transylvania Vocational Services	100-249	8	100-249	6
Lowes Home Centers	100-249	9	100-249	9
City of Brevard	100-249	10	100-249	7

Information from the North Carolina Department of Commerce

Note: Rankings are based on more specific data within ranges known to the NC Department of Commerce.

TRANSYLVANIA COUNTY, NORTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 15
Page 1 of 2

UNAUDITED

Function	2015	2016	2017	2018	2019
Governmental Activities					
General Government	48	48	50	51	53
Public Safety	138	139	139	141	139
Economic and Physical Development	3	3	3	3	3
Environmental Protection	2	2	2	2	2
Human Services	104	106	106	107	105
Cultural and Recreation	29	30	30	31	31
Total Governmental Activities	324	327	330	335	333
Business-Type Activities					
Solid Waste	16	16	16	17	18
Total Business-Type Activities	16	16	16	17	18
Total All	340	343	346	352	351

Source: County Human Resources Department

Note: This schedule represents the number of budgeted positions as of June 30 of each year.

TRANSYLVANIA COUNTY, NORTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 15
Page 2 of 2

UNAUDITED

Function	2020	2021	2022	2023	2024
Governmental Activities					
General Government	53	53	53	58	55
Public Safety	140	146	146	135	138
Economic and Physical Development	3	3	3	5	5
Environmental Protection	2	2	2	2	2
Human Services	107	107	105	106	103
Cultural and Recreation	31	31	31	21	20
Total Governmental Activities	336	342	340	327	323
Business-Type Activities					
Solid Waste	18	18	18	18	18
Total Business-Type Activities	18	18	18	18	18
Total All	354	360	358	345	341

**TRANSYLVANIA COUNTY, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

TABLE 16
Page 1 of 2

UNAUDITED

Function/Program	2015	2016	2017	2018	2019
General government					
Registered Voters	23,643	24,376	25,003	25,763	24,573
Number of Tax Bills (excl motor vehicles)	30,073	29,999	29,934	29,930	26,874
Public Safety					
911 Calls	48,286	50,444	50,247	51,981	55,763
Building Permits Issued*	1,346	1,529	1,868	1,934	2,041
Planning					
Subdivisions reviewed	18	11	14	13	9
Cell towers permitted	0	2	2	1	1
Solid Waste					
Total Collection Site Use (rounded)	333,000	371,000	379,000	380,000	385,000
Tons disposed	24,068	27,270	26,951	58,048	56,096

* Includes permits for renovations, alterations, remodels, and mobile homes as well as new construction

**TRANSYLVANIA COUNTY, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

TABLE 16
Page 2 of 2

UNAUDITED

Function/Program	2020	2021	2022	2023	2024
General government					
Registered Voters	25,540	25,650	26,392	26,456	26,476
Number of Tax Bills (excl motor vehicles)	25,118	29,721	29,777	31,232	31,232
Public Safety					
911 Calls	54,180	68,159	70,601	57,559	55,162
Building Permits Issued*	2,000	1,950	2,341	2,255	2,280
Planning					
Subdivisions reviewed	34	31	43	49	50
Cell towers permitted	-	-	-	-	-
Solid Waste					
Total Collection Site Use (rounded)	285,000	275,000	275,000	285,000	250,000
Tons disposed	23,160	49,791	48,822	61,517	53,540

**TRANSYLVANIA COUNTY, NORTH CAROLINA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

TABLE 17
Page 1 of 2

UNAUDITED

Function/Program	2015	2016	2017	2018	2019
General Government					
Public Facilities	6	6	6	6	6
Public Safety:					
Sheriff Department					
Stations	1	1	1	1	1
Patrol vehicles	69	71	79	80	80
EMS Stations	2	2	2	2	2
Culture and Recreation:					
Libraries	1	1	1	1	1
Parks	6	5	5	5	5
Acreage	74	74	74	74	74
Athletic fields	9	9	8	8	8
Recreation centers	1	1	1	1	1

**TRANSYLVANIA COUNTY, NORTH CAROLINA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

TABLE 17
Page 2 of 2

UNAUDITED

Function/Program	2020	2021	2022	2023	2024
General Government					
Public Facilities	6	6	6	6	6
Public Safety:					
Sheriff Department					
Stations	1	1	1	1	1
Patrol vehicles	80	80	80	80	86
EMS Stations	2	2	2	2	2
Culture and Recreation:					
Libraries	1	1	1	1	1
Parks	6	6	6	6	6
Acreage	129	129	129	129	129
Athletic fields	8	8	8	8	8
Recreation centers	1	1	1	1	1

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COMPLIANCE SECTION

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

To the Board of Commissioners
Transylvania County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), 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 Transylvania County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 24, 2025. The financial statements of the Transylvania County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Transylvania County Tourism Development Authority or that are reported on separately by those auditors who audited the financial statements of the Transylvania County Tourism Development Authority.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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, Responses, and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 weakness of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001 and 2024-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Transylvania County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001 and 2024-003.

Transylvania County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 24, 2025

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Transylvania County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Transylvania County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit 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 Transylvania County's major federal programs for the year ended June 30, 2024. Transylvania County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Transylvania County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and 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 Transylvania County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Transylvania County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 Transylvania County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, 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 Transylvania County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Transylvania County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Transylvania County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-004. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the non-compliance finding identified in our audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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, non-compliance 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 non-compliance 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-004 to be a significant deficiency.

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

Government Auditing Standards require the auditor to perform limited procedures on Transylvania County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Transylvania County's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 24, 2025

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Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Transylvania County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Transylvania County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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 Transylvania County's major state programs for the year ended June 30, 2024. Transylvania County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Transylvania County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and 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 Transylvania County's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Transylvania County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 Transylvania County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, 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 Transylvania County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Transylvania County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Transylvania County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance

with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 24, 2025

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TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

Non-compliance material to financial statements noted?

Yes

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditor’s report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

Identification of major federal programs:

<u>Program Name</u>	<u>AL #</u>
Medicaid Cluster	93.778
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027
Foster Care, Adoption, and Guardianship Assistance Program Cluster	93.658, 93.659

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

No

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Type of auditor’s report issued on compliance for
major state programs Unmodified

Any findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act? No

Identification of major state programs:

Program Name

Medicaid Cluster
Public School Building Capital Fund
Foster Care, Adoption, and Guardianship Assistance Program Cluster

Auditee qualified as State low-risk auditee? No

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

Material Weakness

Non-Compliance

Finding 2024-001

Criteria: N.C. General Statute 159-34 requires the County to have an audit as soon as possible after the close of each fiscal year. Year-end closeout procedures, including reconciliation of subsidiary ledgers, should be performed timely and accurately to facilitate the timely preparation of the financial statements to meet established North Carolina Local Government Commission requirements.

Condition: The annual audit was delayed due to turnover in financial personnel, which also caused untimely reconciliation of subsidiary ledgers. Internal controls over subsidiary ledger reconciliations are critical.

Effect: Delays of timely reporting and errors in financial reporting could occur. The County did not meet the required reporting deadline.

Cause: There was significant turnover in key financial personnel in the current year.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2023-001.

Recommendation: Management should devote sufficient training, tools, and time necessary to implement new accounting standards in a timely manner to prevent future delays in financial reporting due to new accounting standards. Management should put procedures in place to reconcile all subsidiary ledgers to the general ledger on a monthly basis.

Name of Contact Person: Meagan O’Neal, Finance Director

Views of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and will adhere to the Corrective Action Plan in this audit report.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings (continued)

Material Weakness

Finding 2024-002

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: A significant adjustment is a proposed correction of the basic financial statements that, in our judgment, may not have been detected except through our auditing procedures. The existence of such material adjustments indicates that the County's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments. Subsidiary ledgers and cash reconciliations were not prepared and balanced to the general ledger in a timely manner during the year. Internal controls over subsidiary ledgers and cash reconciliations are critical.

Effect: Errors could occur in financial reporting. Financial reports used for budget monitoring throughout the year may not properly reflect account balances.

Cause: There was significant turnover in key financial personnel in the current year. The general ledger was not reconciled to subsidiary ledgers on a regular basis, and year-end journal entries were not booked.

Recommendation: Management should examine the adjustments required as a result of the audit and assess the cost versus benefit of improving the internal control system to prevent the adjustments in the future, given the County's available resources. Management should acknowledge inherent limitations in the internal control system caused by employee turnover and modify their oversight function accordingly. Management should put procedures in place to reconcile all subsidiary ledgers and bank accounts to the general ledger on a monthly basis.

Name of Contact Person: Meagan O'Neal, Finance Director

Views of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and will adhere to the Corrective Action Plan in this audit report.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings (continued)

Significant Deficiency

Non-Compliance

Finding 2024-003

Criteria: N.C. General Statute 116B-53(c), subpart 12, property is presumed abandoned if it is unclaimed by the apparent owner after one year of the property becoming distributable. Per N.C. General Statute 116B-60, a holder of property presumed abandoned shall make a report to the Treasurer concerning the property.

Condition: In the current year, there was a violation of the N.C. General Statute with regards to the escheating process for property held more than a year.

Effect: The County was in violation of North Carolina State Statutes.

Cause: Lack of internal controls over escheating process for unclaimed property.

Recommendation: Management should put a process in place to perform the escheat process in accordance with state law.

Name of Contact Person: Meagan O’Neal, Finance Director

Views of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and will adhere to the Corrective Action Plan in this audit report.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Section III – Federal Awards Findings and Questioned Costs

Significant Deficiency

Non-Compliance

Finding 2024-004

Criteria: In accordance with Title 2 CFR 200.512(a)(1), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), auditees are required to submit the data collection form and the reporting package to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period. For any 2024 submissions with fiscal periods ending between January 1, 2024 and September 30, 2024, requirement 2 CFR 200.512(1) stating that single audits are due to the Federal Audit Clearinghouse 30 days after receipt of the auditor's report(s), is waived. These audits will be considered on time if they are submitted within nine months after their fiscal period end date.

Condition: The County's data collection form and reporting package for the year ended June 30, 2024, were not submitted to the Federal Audit Clearinghouse (FAC) within a timely manner.

Context: This requirement applies to all auditees subject to the Single Audit Act.

Effect: The County's data collection form and reporting package were not submitted, as required under Title 2 CFR 200.512(a)(1), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Cause: Due to a delay in the audit, the timing of the Uniform Guidance audit was delayed. The County did not submit the data collection form to the Federal Audit Clearinghouse (FAC) on time.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2023-003.

Questioned Costs: None. The finding represents a reporting issue; therefore, no questioned costs are applicable.

Recommendation: Measures should be taken to ensure the audit package and the data collection form are submitted within 30 days after receipt of the auditor's report or nine months after the end of the fiscal year end date, whichever comes first.

Name of Contact Person: Meagan O'Neal, Finance Director

Views of Responsible Officials and Planned Corrective Action: Management concurs with the condition noted above. Please refer to the Corrective Action Plan of this report.

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

Section IV – State Awards Findings and Questioned Costs

None noted.

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BOARD OF COMMISSIONERS
Jason Chappell, Chair
Jake Dalton, Vice-Chairman
Larry Chapman
Teresa McCall
Chase McKelvey



COUNTY MANAGER
Jaime Laughter
828-884-3100
Fax 828-884-3119

101 South Broad Street
Brevard, NC 28712

Corrective Action Plan

June 30, 2024

Finding 2024-001:

Name of Contact Person: Meagan O'Neal

Management Response: Our FY23 late audit was due to the resignation and subsequent search for a new Finance Director. The new director started the FY23 audit in October of 2023. Once completed the County immediately engaged Martin Starnes and Associates to begin the FY24 audit on August 26, 2024. Our county was then hit by two major natural disasters with one being Helene on September 28, 2024 and the next wildfires in March and April 2025.

These two events effectively lost four months of capacity in the 12 months from our normal administrative staff duties. Finance staff have been stretched thin between the arduous task of financial responsibilities in disaster management that could not have been anticipated and trying to complete the FY 24 audit while also maintaining the necessary internal processes and responsibilities of operations that protect our financial integrity for FY 25 and FY 26.

The Finance department also encountered the retirement of our Accountant and the resignation of our Accounts Payable technician in the last 9 months which has required time to train new staff.

Procedures to reconcile subsidiary ledgers on a monthly basis have become a task of the Finance Director and Accountant to prevent as many adjustments as possible at year end. The Finance Director has also completed over 40 hours of CPE at the School of Government to help ensure processes continue to improve.

The auditor/county communication has remained open during this time of transition and disaster management.

Proposed Completion Date: Immediately.

Finding 2024-002:

Name of Contact Person: Meagan O'Neal

Management Response: The year-end process was one our County needed to improve the most as evidenced by recurring late audits. The timing of Hurricane Helene hitting within a month of completing the FY23 audit caused some missed year-end reversals and entries. The County has received resources from NC Association of County Commissioners staff and the UNC School of Government throughout the last 9 months on year-end processes and required entries to use as a checklist moving forward before the audit begins. These lists have become the foundation of our year end process as we continue to improve our timeliness of reporting.

Procedures to reconcile subsidiary ledgers monthly have become a task of the Finance Director and Accountant to prevent as many adjustments as possible at year end. The Finance Director has also completed over 40 hours of CPE at UNC SOG to help ensure processes continue to improve.

Proposed Completion Date: Immediately.

BOARD OF COMMISSIONERS
Jason Chappell, Chair
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Chase McKelvey



COUNTY MANAGER
Jaime Laughter
828-884-3100
Fax 828-884-3119

101 South Broad Street
Brevard, NC 28712

Corrective Action Plan (continued)

June 30, 2024

Finding 2024-003:

Name of Contact Person: Meagan O'Neal

Management Response: It was determined after the new Finance Director began that there was documentation on previous escheat processes. This is one item that was on the list to manage and perform. While completing bank reconciliations staff were aware of the items on the uncleared check list, however other tasks received priority.

When auditors made us aware this would be a significant finding due to the monetary amount of uncleared checks we began research on the outstanding list. With research we found a batch of duplicate checks that were processed in January 2022. The department that initiated these made the previous finance director aware and asked to have them voided. This process was never completed. \$22,823 of the checks in question should have been voided but were not.

Since we were made aware of this information, we have corrected this issue of the duplicate checks and are researching all other uncleared checks to ensure they should not have been voided. After sufficient research has been done we will immediately implement the new escheat process we created to eliminate any future late escheat findings in accordance with state law.

Proposed Completion Date: Immediately.

Finding 2024-004:

Name of Contact Person: Meagan O'Neal

Management Response: The new Finance Director, hired in October 2023, immediately began reviewing staff assignments to analyze for improvements in efficiency while keeping separation of duties secure, while also completing the FY23 audit. This review allowed restructuring tasks to improve efficiency and the ability to set up new processes. The finance director has utilized help from NC Association of County Commissioner staff as well as UNC School of Government courses to continue to update processes and improve upon the quality of data provided. The occurrence of Hurricane Helene and the Spring wildfires in Transylvania County impacted staff capacity to complete the FY24 audit however now that it is complete we will be diligently working to have FY25 information submitted quickly.

Notes have been added to the process documents to ensure all steps are taken when submitting the data collection form to the Federal Audit Clearinghouse once future audits are completed by the firm.

Proposed Completion Date: Immediately.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2024

Finding: 2023-001
Status: Modified and repeated as Finding 2024-001.

Finding: 2023-002
Status: Corrected.

Finding: 2023-003
Status: Repeated as Finding 2024-004

Finding: 2023-004
Status: Corrected.

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TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Department of Health and Human Services:</u>						
<u>Administration for Children and Families:</u>						
Passed-through the N.C. Department of Health and Human Services:						
Temporary Assistance for Needy Families:						
Division of Social Services:						
Temporary Assistance for Needy Families WorkFirst Administration	93.558	2402NCTANF	\$ 64,215	\$ -	\$ -	\$ -
Temporary Assistance for Needy Families WorkFirst Services	93.558	2402NCTANF	313,574	-	-	-
Total Temporary Assistance for Needy Families:			377,789	-	-	-
Child Support Services Section:						
Child Support Services - IV-D Administration	93.563	2401NCCES	136,582	-	-	-
Total Child Support Services Section:			136,582	-	-	-
Low-Income Home Energy Assistance:						
COVID-19 Low-Income Home Energy Assistance ARPA -						
Administration	93.568	2401NCLIEA	13,973	-	-	-
Low-Income Home Energy Assistance - LIHWAP Administration	93.568	2401NCLIEA	25,128	300	-	-
Total Low-Income Home Energy Assistance:			39,101	300	-	-
<u>Administration for Children and Families:</u>						
Passed-through the N.C. Department of Health and Human Services:						
Division of Social Services:						
<u>Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 3):</u>						
Foster Care Title IV-E - Administration	93.658	2401NCFOST	376,767	26,849	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	2401NCFOST	131,441	47,073	-	-
Adoption Assistance - Title IV-E Optional Adoption TRN-Admin	93.659	2401NCADPT	2,605	-	-	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 3):			510,813	73,922	-	-
Social Services Block Grant	93.667	2401NCSOSR	158,991	17,859	-	-
COVID-19 - Social Services Block Grant ARPA	93.667	2401NCSOSR	1,991	2,295	-	-
Total Social Services Block Grant			160,982	20,154	-	-
<u>Special Children Adoption Fund Cluster (Note 3):</u>						
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2401NCFPSS	14,709	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2401NCCWSS	-	30,613	-	-
Total Special Children Adoption Fund Cluster (Note 3)			14,709	30,613	-	-
Chafee Foster Care Independence Section:						
John H. Chafee Foster Care Program for Successful						
Transition to Adulthood - Administration	93.674	2401NCC1LP	11,159	2,790	-	-
John H. Chafee Foster Care Program for Successful						
Transition to Adulthood - Direct Benefits Payments	93.674	2401NCC1LP	6,839	-	-	-
			17,998	2,790	-	-
Division of Child Development:						
Subsidized Child Care Program Cluster (Note 3)						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	2401NCCCDF	73,333	-	-	-
Total Subsidized Child Care Cluster/Child Care Development Fund Cluster (Note 3):			73,333	-	-	-
Total Administration for Children and Families			1,331,307	127,779	-	-
<u>Centers for Medicare and Medicaid Services</u>						
Passed-through the N.C. Department of Health and Human Services:						
Division of Social Services:						
Division of Medical Assistance						
<u>Medicaid Cluster:</u>						
Medical Assistance Program -Administration	93.778	XIX-MAP 24	1,180,762	52,889	-	-
Total Medicaid Cluster			1,180,762	52,889	-	-
Division of Health Benefits:						
Division of Social Services:						
Children's Health Insurance Program - N.C. Health Choice - Administration	93.767	CHIP24	103,067	2,695	-	-
Total Centers for Medicare and Medicaid Services			1,283,829	55,584	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>Centers for Disease Control and Prevention:</u>						
Passed-through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069	5363260514	25,633	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	6 NU52PS910218-01-01	50	-	-	-
COVID-19 - Immunization Cooperative Agreements	93.268	1331631EEJ	1,074	-	-	-
Immunization Cooperative Agreements	93.268	1331631EEJ	8,598	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5 NU58DP006281-05	2,280	-	-	-
Preventive Health and Health Services Block Grant	93.991	1261550300/12615503PH	30,531	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6 NU50CK000530-02-06	199,490	-	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	6NU90TP922104-01-01	503,824	-	-	-
Total Centers for Disease Control and Prevention			771,480	-	-	-
<u>CDC National Center For Chronic Disease Prevention And Health Promotion</u>						
Passed-through the N.C. Department of Health and Human Services:						
Drug-Free Communities Support Program Grants	93.276	2H79SP020377-06	169,556	-	-	-
<u>Health Resources and Service Administration</u>						
Passed-through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant to the States	93.994	536260318	32,345	-	-	-
<u>Office of Assistant Secretary for Health:</u>						
Passed-through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Office of Assistant Secretary for Health:						
Family Planning Services	93.217	536260510/536260908	35,692	-	-	-
<u>Administration for Community Living</u>						
<u>Division of Aging and Adult Services:</u>						
Passed-through the N.C. Department of Health and Human Services						
Passed-through Land-of-Sky Regional Council						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III, Part B --						
Grants for Supportive Services and Senior Centers	93.044	23/43AANCT3SS	3,944	234	4,178	-
Special Programs for the Aging - Title III, Part B --						
Grants for Supportive Services and Senior Centers	93.044	23/43AANCT3SS	32,912	61,204	94,116	-
Special Programs for the Aging - Title III C Nutrition Services (Congregate Nutrition)	93.045	23/24AANCT3CM	85,263	5,015	90,278	-
Special Programs for the Aging - Title III C Nutrition Services (Home-Delivered Meals)	93.045	23/24AANCT3HD	53,277	3,133	56,410	-
Nutrition Services Incentive Program	93.053	23/24AANCNSIP	6,333	-	6,333	-
Total Aging Cluster			181,729	69,586	251,315	-
Passed-through the N.C. Department of Insurance - SHIP Division						
Medicare Enrollment Assistance Program	93.071	RQ17318461	-	4,141	-	-
Total Administration for Community Living			181,729	73,727	251,315	-
Total U.S. Department of Health and Human Services			3,805,938	257,090	251,315	-
<u>U.S. Department of Agriculture:</u>						
<u>Food and Nutrition Service:</u>						
Passed-through N.C. Department of Health and Human Services:						
Division of Social Services:						
Supplemental Nutrition Assistance Program Cluster						
Administration:						
COVID-19 - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	5NC700705	8,665	-	-	-
State Administrative Matching Grants for Supplemental Nutrition Assistance Program ARPA	10.561	5NC700705	303,901	-	-	-
Total Supplemental Nutrition Assistance Program Cluster			312,566	-	-	-
Division of Public Health:						
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - Administration	10.557	536260415	145,504	-	-	-
<u>Natural Resources Conservation Service:</u>						
Emergency Watershed Protection Program - Floodplain Easements - Disaster Relief Appropriations Act	10.923	NR224532XXXXC002	636,737	-	-	-
Total U.S. Department of Agriculture			1,094,807	-	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>U.S. Department of Homeland Security:</u>						
Passed-through N.C. Department of Public Safety Management: Division of Emergency Management: Emergency Management Performance Grants	97.042	EMPG-2021-19087	20,625	-	-	-
Total U.S. Department of Homeland Security			20,625	-	-	-
<u>U.S. Department of Justice:</u>						
Boards and Divisions Offices: Direct Program: Comprehensive Opioid, Stimulant, and other Substance Use Program	16.838	15PBJA-21-GG-04496-COAP	233,861	-	-	-
Total U.S. Department of Justice			233,861	-	-	-
<u>U.S. Department of Treasury:</u>						
<u>Direct Program</u> Local Assistance and Tribal Consistency Fund	21.032		213,572	-	-	-
Passed through the NC Department of Environmental Quality Division of Water Infrastructure COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (ARPA) - At Risk Grant Funds	21.027	SRP-D-ARP-0028	1,277,239	-	-	-
Total U.S. Department of Treasury			1,490,811	-	-	-
<u>Appalachian Regional Commission:</u>						
Passed-through North Carolina Department of Commerce Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	ARC-NC-19516	30,000	-	-	-
Total Appalachian Regional Commission			30,000	-	-	-
<u>U.S. Department of Transportation:</u>						
Federal Transit Administration: Passed-through N.C. Department of Transportation:						
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	23-CT-057	127,243	1,511	-	-
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	24-CT-057	50,004	3,125	-	-
Transit Services Programs Cluster:						
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	23-ED-057	4,384	-	4,384	-
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	24-ED-057	20,086	-	20,086	-
Total Transit Services Programs Cluster:			24,470	-	24,470	-
Total U.S. Department of Transportation			201,717	4,636	24,470	-
Total Assistance- Federal Programs			6,877,759	261,726	275,785	-
State Awards:						
<u>N.C. Department of Administration:</u>						
Veterans Service			-	2,174	-	-
Total NC Department of Administration			-	2,174	-	-
<u>N.C. Department of Public Safety:</u>						
Division of Emergency Management Transportation Infrastructure Resiliency Grant		2365016	-	70,911	-	-
Division of Juvenile Justice Juvenile Crime Prevention Council Programs		088-XXXX	-	125,947	-	-
Total NC Department of Public Safety			-	196,858	-	-
<u>N.C. Department of Commerce:</u>						
Public Infrastructure Funds Industrial Development Fund Utility Account		U-510	-	-	-	-
Total NC Department of Commerce			-	-	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>Division of Aging and Adult Services:</u>						
<i>Passed-through Land-of-Sky Regional Council</i>						
Senior Center General Purpose Funding	N/A	N/A	-	3,719	-	-
Division of Social Services:						
Administration:						
CPS Expansion - State			-	117,548	-	-
Direct Benefit Payments:						
SFHF Maximization			-	159,477	-	-
State Foster Home			-	67,559	-	-
Foster Care at Risk Mazimization			-	2,667	-	-
Extended Foster Care Maximization Non IV-E Programs			-	11,619	-	-
Total Division of Social Services			-	358,870	-	-
Division of Public Health:						
Healthy Communities		1 NB01OT009312-02-00	-	3,747	-	-
General Aid to Counties/Public Health Capacity Building			-	75,407	-	-
Mosquito and Tick Suppression			-	13,396	-	-
Public Health Pest Management			-	2,604	-	-
General Communicable Disease Control		1175451000.000	-	10,656	-	-
Food and Lodging Fees			-	9,673	-	-
HIV/STD State			-	400	-	-
TB Control		6 NU52PS910218-01-01	-	2,200	-	-
School Nurse Funding Initiative			-	50,000	-	-
State Fiscal Recovery Funds			-	595	-	-
Breast and Cervical Cancer Program		5 NU58DP006281-05	-	2,270	-	-
Family Planning - State			-	26,606	-	-
546 Communicable Disease Pandemic Recovery		2SF1249NTT	-	2,093	-	-
121 ARPA TSF Public Health Services				2,252		
Child Health		B04MC40152	-	2,651	-	-
Total Division of Public Health			-	204,550	-	-
Total N.C. Department of Health and Human Services			-	567,139	-	-
<u>N.C. Department of Transportation:</u>						
Rural Operating Assistance Program (ROAP)						
Elderly and Disabled Transportation Assistance Program (E&DTAP)			-	58,694	-	-
Rural General Public Program (RGP)			-	83,094	-	-
Employment Transportation Assistance Program			-	8,434	-	-
Total ROAP Cluster			-	150,222	-	-
Total NC Department of Transportation			-	150,222	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Division of Soil and Water Conservation:						
Streamflow Rehabilitation Assistance Program (StRAP)			-	27,504	-	-
Soil and Water Technical Assistance			-	23,170	23,170	-
Soil and Water Conservation Matching Fund			-	3,600	3,600	-
Total N.C. Department of Agriculture and Consumer Services			-	54,274	26,770	-
<u>N.C. Department of Natural and Cultural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	107,174	-	-
Total N.C. Department of Natural and Cultural Resources			-	107,174	-	-
<u>N.C. Department of Public Instruction:</u>						
Public School Building Capital Fund			-	966,680	-	-
Total Assistance- State Programs			-	2,115,432	26,770	-
Total Federal and State Awards			\$ 6,877,759	\$ 2,377,158	\$ 302,555	\$ -

Notes to the Schedule of Expenditures of Federal and State Awards:**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Transylvania County under the programs of the federal government and the state of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Transylvania County, it is not intended Federal Awards (Uniform Guidance) and the State Single Audit to and does not present the financial position, changes in net position or cash flows of Transylvania County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Transylvania County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

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