

Davidson County, North Carolina

Annual Comprehensive Financial Report

Year Ended June 30, 2023

Prepared by:
Christy E. Stilwell
Finance Director

DAVIDSON COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

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DAVIDSON COUNTY FINANCE

Davidson County Governmental Center
Post Office Box 1067
913 N. Greensboro Street
Lexington, NC 27292



November 28, 2023

The Board of County Commissioners and
The Citizens of Davidson County, North Carolina

I am pleased to present the annual comprehensive financial report of Davidson County for the fiscal year ended June 30, 2023. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The annual comprehensive financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the GFOA Certificate of Achievement, the County's organizational chart and a list of principal officials. The financial section includes the management discussion and analysis, statements of net position, and the combining and individual fund financial statements and schedules, as well as the independent auditors' report on the financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of independent auditors.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and *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 law in North Carolina for state funds. Information related to the single audit, including the schedule of expenditures of federal and state awards, findings and questioned costs, and independent auditors' reports on the compliance and on internal control over financial reporting, is presented in a separate document to which the reader is referred.

County Profile

The County, founded in 1822, is located in the Piedmont Triad Region of the State, which is a primary industrial area. The County is largely bordered by the large metropolitan counties of Forsyth and Guilford.

The County annually adopts a balanced budget and establishes a tax rate for the support of County programs. The County Manager has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the Board of Commissioners. The Board members are elected at large for staggered four-year terms. This report includes all funds of the County and includes all activities upon which the County is financially accountable.

The County provides a full range of services for all the residents of the County regardless of their residential location (outside or within city limits). These services include: public safety (law enforcement, jail, rural fire protection, inspection, emergency medical services, and a day reporting center), human services (social services, public and mental health, senior services and veterans services), culture and recreation (library system, museum and recreation), economic and physical development (agricultural programs, employment and training programs), environmental protection (soil and water conservation services, solid waste disposal and landfill operations), and general government services. These activities are included in this report.

The County's reporting entity for financial statement purposes includes the activities of all agencies, boards, commissions and authorities, as required by generally accepted accounting principles, and these financial statements present all the funds of the County and its component units, legally-separate entities for which the County is financially accountable.

While this document is an important tool, the ACFR is merely a reflection of the commitment to the financial strength of the County made by the Board of Commissioners. By continuing to invest in ourselves as a community, Davidson County has insured that it maintains its financial stability in a changing and globalizing economy. This letter of transmittal attempts to encompass some of the reasons for the County's fiscal strength and provide you with an introduction to the rest of the document.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy. The County is the home of several nationally known employers. Egger Wood Products LLC is a global leader in the manufacturing of wood-based materials for the furniture, interior design, flooring and building products industries. Electric Glass Fiber America LLC (formerly known as PPG Industries) is the producer of fiberglass products. Halyard North Carolina (formerly Kimberly-Clark Corporation), manufacturer of consumer-goods products, established

operations in the County in 1985. The County's economic base is diverse enough to support more than 300 manufacturing facilities, producing furniture, textiles, machinery, ceramics and glass which provides a healthy mix with no single industry dominating the employment picture.

The County has continued to recruit quality companies to replace those lost to import competition. The County has offered economic development incentive grants to several companies to support industrial expansion. The County currently has a 3.5 % employment rate which is .1% less than the state rate and .4% less than the County's rate in 2022.

The County experienced an increase of 2.7% in its tax base. With property tax being the major revenue source over which the County has control, a continued emphasis is being placed on economic development. The County's character and charm which has made it a natural choice for development in the past is no longer enough. Organizations such as Davidson County Economic Development Commission, Piedmont Triad Partnership, and local chambers of commerce will help ensure Davidson County's economic well-being by helping create and maintain employment opportunities, new capital investments, greater retail sales and a better quality of life.

Long-term financial planning. The County will continue its commitment to public schools by staying on course with the current plan to provide funding for roof and HVAC replacements as well as security needs. The County has completed extensive renovations and additions to existing schools and has constructed a new middle and high school. The County completed the issuance of \$1.955 million of Limited Obligation Bonds in January 2020 for school capital needs. The County completed the issuance of \$36.5 million of Limited Obligation Bonds for the construction of a new high school during the FY2016 year. The remainder of the funding for this \$51.7 million project has come from County reserves and a contribution from the Davidson County school system. The County completed the issuance of all of the \$66.4 million in school bonds and \$5.2 million in community college bonds that were authorized during the November 2005 election. The County issued \$13 million in Qualified School Construction Bonds in 2011 for the construction of the new middle school in the northern part of the County. These bonds were established as part of the American Recovery Reinvestment Act of 2009. Local Boards of Education were allotted specific amounts proportionately on an ADM basis. The remainder of the funding for this \$24 million project has come from the County reserves and a contribution from the Davidson County school system.

One significant goal of Davidson County is to provide adequate sewer in areas where poor soils have been a prohibitive factor in the quality of life or a detriment to growth. Furthermore, the Davidson County School system has been faced with the requirement to upgrade sewer facilities at various schools to meet the requirements of the North Carolina Department of Environment and Natural Resources. The County has completed the construction of the sewer lines for the schools.

The County has also taken steps to capitalize on existing industry expansion and new industrial growth by providing supplement funds for economic development through incentive grants. The County is in the final stages of developing the I-85 Corporate Center. With only about 100+/- acres of the original 430 remaining, the park will soon house EGGER's Phase II development, which, once complete, EGGER anticipates will create over 770+ jobs and invest over \$770 million within the I-85 Corporate Center. The County is evaluating options for attaining large amounts of wastewater capacity with other local government partners. This will allow for continued commercial development over the next several years within Davidson County.

In addition, the County expects to work through two other major projects: 1) Detention Center Expansion / Renovations and 2) School Building Renovations at Lexington Middle / High School. The County also continues to focus on providing for additional amenities such as those provided at the Yadkin River Park / Historic Wilcox-Bridge / Fort York area.

The County continues planning for its future operations with the annual County retreat held for the Board of Commissioners and the Departmental Directors. Through these retreats, future goals and priorities are discussed in a team effort for implementation in the years to come.

Internal Controls. The Management of Davidson County is responsible for establishing and maintaining an internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Independent Audit. North Carolina general statutes require each unit of local government to have its financial statements audited annually by a certified public accountant or by an accountant certified by the North Carolina Local Government Commission as qualified to audit local government accounts. The auditor is selected by and reports to the Board of Commissioners. This requirement has been satisfied within the financial statements herein.

During the fiscal year ended June 30, 2023, the federal and State of North Carolina grant programs were subjected to audit by the independent auditor in accordance with the provisions of the Single Audit Act of 1984, *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. This report is included in this document.

The Single Audit Act is mandated for the federal grant programs in which the County participates. The State Single Audit Implementation Act was passed effective June 4, 1987. We believe the adoption of this concept has enhanced the County's stewardship of public resources by providing a more comprehensive independent annual audit and a more efficient utilization of County administrative personnel.

Awards

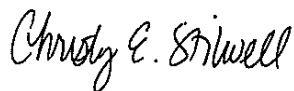
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Davidson County for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. Davidson County has received a Certificate of Achievement for the last thirty-six years (fiscal years ended 1987-2022). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgements.

Each member of the Finance Department has my sincere appreciation for their assistance and dedication throughout the year, especially during the annual audit and the preparation of this ACFR. The County's print shop continues to do an excellent job in printing this document. Special thanks go to members of the Board of County Commissioners and the County Manager and the County Attorney for their continued support in planning and conducting operations of the County throughout the past years that has led to sound financial operations.

Respectfully submitted,

A handwritten signature in cursive script that reads "Christy E. Stilwell".

Christy E. Stilwell
Finance Director

DAVIDSON COUNTY, NORTH CAROLINA

ORGANIZATIONAL CHART

CITIZENS OF DAVIDSON

BOARD OF COUNTY COMMISSIONERS

COUNTY MANAGER

COUNTY DEPARTMENTS

GENERAL GOVERNMENT

-
- * Board of Elections
 - * Register of Deeds
 - * Tax Assessor and Collector
 - * Public Buildings

Administration and Support:

- * County Manager
- * Human Resources
- * Finance
- * Purchasing
- * Information Technology

PUBLIC SAFETY

-
- * Sheriff
 - * Jail
 - * Communication
 - * Inspections
 - * Medical Examiner
 - * Emergency Management
 - * Ambulance

HUMAN SERVICES

-
- * Health
 - * Mental Health
 - * Social Services
 - * Senior Services
 - * Child Support
 - * Veterans Services

CULTURE AND RECREATION

-
- * Library
 - * Museum
 - * Recreation

ECONOMIC AND PHYSICAL DEVELOPMENT

-
- * Planning
 - * Cooperative Extension
 - * Job training (DavidsonWorks)
 - * Economic Development
 - * GIS

ENVIRONMENTAL PROTECTION

-
- * Sanitation
 - * Soil and Water Conservation
 - * Landfill

DAVIDSON COUNTY, NORTH CAROLINA

Board of County Commissioners

Fred McClure, Chairman
Todd Yates, Vice Chairman
Chris Elliott
Matt Mizell
Steve Shell
James Shores
Karen Watford

County Officials

Casey Smith
Jason Martin
Christy Stilwell
Charles Frye
Michael Horne
David Rickard
Dwayne Childress
Tony Dill
Andrew Richards
Richie Simmons
Beau Chollett
Lillian Koontz
Trish Baker
Sheila Killebrew
Thomas Marshburn
Pam Walton
Joel Hartley
Rob Wilson
Ricky Johnson
Thessia Everhart-Roberts
Andy Miller
Troy Coggins

County Manager
Assistant County Manager
Finance Director
County Attorney
Register of Deeds
Tax Administrator
Support Services Director
Human Resources Director
Board of Elections Director
Sheriff
Inspections Director
Health Director
Social Services Director
Library Director
Recreation Director
DavidsonWorks Director
IT Director
Communications Director
Veterans Services Director
Senior Services Director
Soil & Water Director
Cooperative Extension Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Davidson County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

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 County Commissioners
Davidson County
Lexington, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of and for the year ended June 30, 2023, 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, based on our audit and the report of the other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Opioid Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Davidson County ABC Board, which represents 9.60%, 6.65% and 28.89%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Davidson County ABC Board, is based solely on the report of the other auditors.

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 Davidson County ABC Board 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 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 Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll 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 and the other auditors 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 Davidson County, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and other schedules, 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 and statistical sections 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 November 28, 2023 on our consideration of Davidson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Davidson 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 Davidson County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 28, 2023

Management's Discussion and Analysis (Continued)

As management of Davidson County, we offer readers of Davidson County's financial statements this narrative overview and analysis of the financial activities of Davidson County for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of Davidson County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$263,112,676. This is an increase of \$89,594,899 over the prior year. The increase in net position is primarily due to the increase in net position of the Governmental Activities.
- The assets and deferred outflows of resources of Davidson County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$226,707,999.
- As of the close of the current fiscal year, Davidson County's governmental funds reported combined ending fund balances of \$237,212,963, after a net increase of \$65,976,337. Approximately 19.28% of this total amount, or \$45,739,414, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$119,247,219, or 64.92%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- The County maintained both the Moody's bond rating and the Standard & Poor's bond rating during the year. The ratings are as follows:

Moody's	Aa1
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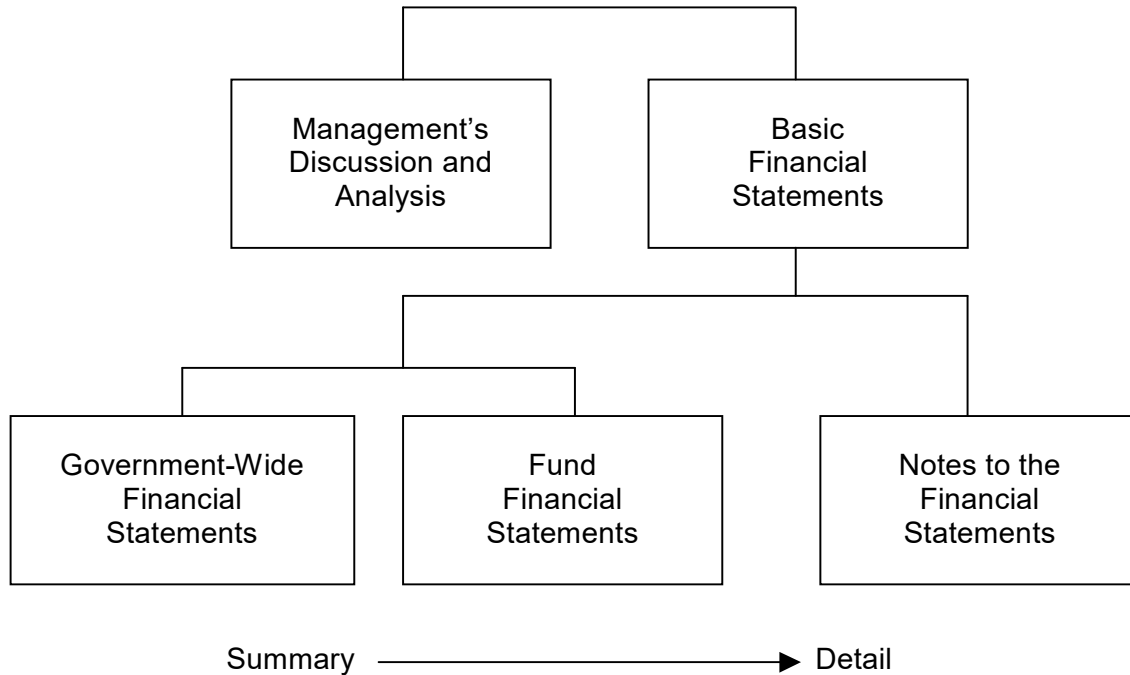
Standard & Poor's	AA
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Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Davidson County's basic financial statements. Davidson County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of Davidson County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements, Exhibits 1 and 2, in the basic financial statements are the Government-Wide Financial Statements. They provide both short- and long-term information concerning the County's financial status.

The next statements, Exhibits 3 through 12, are the Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include general government, public safety, public education, economic development, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the sewer and landfill services offered by Davidson County. The final category is the component units. The government-wide financial statements include not only Davidson County itself (known as the primary government), but also the Davidson County Airport Authority and the Davidson County ABC Board for which Davidson County is financially accountable. The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Davidson County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Davidson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Management's Discussion and Analysis (Continued)

General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Davidson County maintains two types of proprietary funds, Enterprise and Internal Service. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Davidson County uses enterprise funds to account for its Landfill and Sewer operations. The Sewer Fund was established mainly to account for the construction and operation of sewer lines that were built to accommodate the schools. As a result, the Sewer Fund is heavily supported by the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among Davidson County's various functions. Davidson County uses an internal service fund to account for the financing of goods and services provided by the Garage Fund on a cost reimbursement basis. Davidson County also uses an internal service fund to account for the self-insured employee health insurance plan and workers compensation. As these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill and Sewer operations. Conversely, the Internal Service Fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Davidson County has two fiduciary funds, one of which is the property tax fund which accounts for funds that are billed and collected by the County for various municipalities and special districts. The other custodial fund accounts for Bid Bond deposits, Sheriff-Inmate, Sheriff-Execution and Sheriff-Evidence activities for reporting purposes.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 92 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Davidson County's progress in funding its obligation to provide pension benefits to its employees. Required supplemental information can be found on pages 93 through 106 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. In the case of Davidson County, net position is negatively impacted by the fact that the County issues debt to fund the construction of capital assets that become the assets of other governmental entities upon completion. The County issues general obligation debt and limited obligation bonds to fund the cost of constructing these assets. The assets and deferred outflows of Davidson County exceeded liabilities and deferred inflows by \$263,112,676 as of June 30, 2023. As of June 30, 2022, the net position of Davidson County was \$163,905,315. The County's net position increased by \$99,207,361 for the fiscal year ended June 30, 2023.

Davidson County, along with many other counties in North Carolina, funds school facilities that become assets of the school district and community college facilities that become property of the community college, through the issuance of debt. General obligation bonds, limited obligation bonds, and qualified school construction bonds have been issued by the County to fund a large portion of the cost of these assets. The County's liabilities at June 30, 2023 include outstanding general obligation debt of \$18,910,000, outstanding qualified school construction bond debt of \$13,726,926, and outstanding limited obligation bond debt of \$23.8 million all relate to funding these non-County assets. This represents 65% of the County's bonded debt. Because the County does not retain the related assets, this debt liability reduces the County's total net position and presents a less favorable picture as compared to governments that do not extensively fund the capital assets of other government entities. An additional portion of Davidson County's net position \$34,022,381 represents resources that are subject to external restrictions on how they are used. The remaining balance of \$143,301,622 is unrestricted.

The largest portion of Davidson County's assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Davidson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Davidson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay the debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (Continued)

At the end of the current fiscal year, Davidson County is able to report positive balances in total net position for the government as a whole. The same situation held true for the prior fiscal year as detailed in the statement of net position.

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 271,774,516	\$ 204,117,781	\$ 29,159,643	\$ 26,804,795	\$ 300,934,159	\$ 230,922,576
Capital assets, net of depreciation	99,891,671	97,852,279	22,979,327	18,800,642	122,870,998	116,652,921
Total assets	<u>371,666,187</u>	<u>301,970,060</u>	<u>52,138,970</u>	<u>45,605,437</u>	<u>423,805,157</u>	<u>347,575,497</u>
Deferred Outflows of Resources	<u>24,896,407</u>	<u>17,568,723</u>	<u>380,302</u>	<u>240,696</u>	<u>25,276,709</u>	<u>17,809,419</u>
Liabilities:						
Long-term liabilities outstanding	155,793,769	144,455,677	15,773,239	16,369,262	171,567,008	160,824,939
Other liabilities	9,389,815	24,744,017	275,093	1,097,219	9,664,908	25,841,236
Total liabilities	<u>165,183,584</u>	<u>169,199,694</u>	<u>16,048,332</u>	<u>17,466,481</u>	<u>181,231,916</u>	<u>186,666,175</u>
Deferred Inflows of Resources	<u>4,671,011</u>	<u>14,532,704</u>	<u>66,263</u>	<u>280,722</u>	<u>4,737,274</u>	<u>14,813,426</u>
Net Position:						
Net investment in capital assets	67,282,933	64,434,632	18,505,740	13,557,290	85,788,673	77,991,922
Restricted	34,022,381	24,981,683	-	-	34,022,381	24,981,683
Unrestricted	125,402,685	46,390,070	17,898,937	14,541,640	143,301,622	60,931,710
Total net position	<u>\$ 226,707,999</u>	<u>\$ 135,806,385</u>	<u>\$ 36,404,677</u>	<u>\$ 28,098,930</u>	<u>\$ 263,112,676</u>	<u>\$ 163,905,315</u>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.10%.
- Continued low cost of debt due to the County's high bond rating.
- Continued conservative spending initiatives through performance-based budgeting.

Management's Discussion and Analysis (Continued)

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 7,794,020	\$ 7,448,125	\$ 6,412,846	\$ 6,707,567	\$ 14,206,866	\$ 14,155,692
Operating grants	72,296,395	30,175,660	-	-	72,296,395	30,175,660
Capital grants	7,250,216	903,398	5,000,000	-	12,250,216	903,398
General revenues:						
Property taxes	113,204,275	109,143,288	-	-	113,204,275	109,143,288
Other taxes	55,190,253	49,427,320	485,230	504,160	55,675,483	49,931,480
Other revenue	8,010,554	1,868,527	1,047,239	145,884	9,057,793	2,014,411
Total revenues	<u>263,745,713</u>	<u>198,966,318</u>	<u>12,945,315</u>	<u>7,357,611</u>	<u>276,691,028</u>	<u>206,323,929</u>
Expenses:						
General government	20,660,936	17,685,499	-	-	20,660,936	17,685,499
Public safety	58,682,734	48,067,677	-	-	58,682,734	48,067,677
Economic and physical development	9,060,881	12,004,511	-	-	9,060,881	12,004,511
Environmental protection	1,819,084	1,513,037	-	-	1,819,084	1,513,037
Human services	31,019,745	28,151,261	-	-	31,019,745	28,151,261
Culture and recreation	6,290,681	5,290,750	-	-	6,290,681	5,290,750
Transportation	1,600,486	1,507,842	-	-	1,600,486	1,507,842
Education	49,215,624	44,119,643	-	-	49,215,624	44,119,643
Interest on long-term debt	3,221,865	3,613,216	-	-	3,221,865	3,613,216
Landfill	-	-	4,163,335	5,093,751	4,163,335	5,093,751
Sanitation	-	-	1,360,758	1,264,472	1,360,758	1,264,472
Total expenses	<u>181,572,036</u>	<u>161,953,436</u>	<u>5,524,093</u>	<u>6,358,223</u>	<u>187,096,129</u>	<u>168,311,659</u>
Change in net position before transfers and contributions	82,173,677	37,012,882	7,421,222	999,388	89,594,899	38,012,270
Transfers	(884,525)	(900,950)	884,525	900,950	-	-
Change in net position	<u>81,289,152</u>	<u>36,111,932</u>	<u>8,305,747</u>	<u>1,900,338</u>	<u>89,594,899</u>	<u>38,012,270</u>
Net Position:						
Beginning of year - July 1	135,806,385	99,694,453	28,098,930	26,198,592	163,905,315	125,893,045
Restatement	9,612,462	-	-	-	9,612,462	-
Beginning of year - July 1 as restated	<u>145,418,847</u>	<u>99,694,453</u>	<u>28,098,930</u>	<u>26,198,592</u>	<u>173,517,777</u>	<u>125,893,045</u>
End of year - June 30	<u>\$ 226,707,999</u>	<u>\$ 135,806,385</u>	<u>\$ 36,404,677</u>	<u>\$ 28,098,930</u>	<u>\$ 263,112,676</u>	<u>\$ 163,905,315</u>

Management's Discussion and Analysis (Continued)

Governmental Activities. Of total net position, governmental activities accounted for \$226,707,999 (86 percent). Operating and capital grants and contributions funded \$79,546,611 of Davidson County's governmental activities. Operating grants increased due to more funding received for human services and public safety programs. Both sales tax and property taxes provided a large source of revenue. Sales tax increased due to an improved economy. Governmental activities increased the County's net position by \$81,289,152 compared to an increase of \$36,111,932 in 2022. The key elements of the increase in 2023, were increases in property taxes, sales taxes, and operating grants.

Business-type activities. Net position of Davidson County's business-type activities increased to \$36,404,677. Net position increased by \$8,305,747 in 2023 due to an increase in capital grants for sewer capacity. Net position increased \$1,900,338 in 2022.

Financial Analysis of the County's Funds

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

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

The General Fund is the principal operating fund of Davidson County. At the end of the current fiscal year, fund balance available in the General Fund was \$140,873,282, while total fund balance for reached \$160,018,680. The governing body of Davidson County has determined that the County should maintain an available fund balance of 18% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 76.69% of General Fund expenditures and transfers to other funds, while total fund balance represents 87.12% of that same amount.

The other major governmental funds are the Capital Reserve Fund which accounts for monies that have been specially reserved for future capital expenditures, ARP Fund, which accounts for monies that have been reserved for American Rescue Plan act expenditures, and Capital Projects Fund that accounts for monies that have been specifically reserved for County capital project expenditures.

The Capital Reserve Fund fund balance increased by \$15,829,405 due to a large transfer in from the General Fund of \$22,923,845 for future capital projects. The ARP Fund fund balance increased by \$294,471 due to interest earnings and had \$10,000 in unspent grant proceeds. Capital Projects Fund received a transfer of \$156,290 from the General Fund and \$5,274,349 from the Capital Reserve Fund for capital improvements. The Opioid Fund is major this year. Due to new information on how to account for settlement funds, the County booked a net receivable in the amount of \$16,767,798 with a related offsetting deferred inflow. The County had no expenditures during the year and ended with \$1,619,992 in restricted cash and fund balance at June 30th.

Management's Discussion and Analysis (Continued)

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants, and 3) increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues, appropriated fund balance, and other financing sources by \$9,883,832. \$4,370,923 of the increase can be attributed to additional grant revenue. \$3,321,532 of the increase can be attributed to the appropriation of fund balance for capital projects and for performance management expenditures earned by qualified departments in the prior year from the attainment of specific performance goals. \$1,537,433 of the increase can be attributed to an increase in revenues from charges for services.

Proprietary Funds. Davidson County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Landfill at the end of the year totaled \$16,071,488. Unrestricted net position of the Sewer operation at the end of the year totaled \$1,827,449.

Capital Asset and Debt Administration

Capital Assets. Davidson County's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$122,870,998 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery, and equipment. The total increase in Davidson County's investment in capital assets for the current fiscal year was 5.2 percent.

The major capital asset event during the fiscal year was the initial work for the County's new detention center to provide present and long-term detention needs. Preliminary stages of this project under way include architectural design and spec work. To date, this project has been funded by local revenues. Future work, as approved by the County board, would be funded by local revenues and Limited Obligation Bonds. Current estimates for the cost of this project total \$97 million. Other building needs of the County are currently being forecasted into the future as revenues are located and become available.

Management's Discussion and Analysis (Continued)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Improvements	\$ 18,947,746	\$ 18,880,488	\$ 863,794	\$ 863,794	\$ 19,811,540	\$ 19,744,282
Construction in progress	3,790,181	1,164,877	-	-	3,790,181	1,164,877
Intangible wastewater rights	-	-	5,000,000	-	5,000,000	-
Buildings and improvements	94,146,602	91,998,275	809,028	809,028	94,955,630	92,807,303
Furniture and equipment	29,226,341	28,143,744	9,987,055	10,013,581	39,213,396	38,157,325
Vehicles and motor equipment	12,609,331	12,166,334	-	-	12,609,331	12,166,334
Sewer line	-	-	18,127,698	18,127,698	18,127,698	18,127,698
Landfill cell construction	-	-	23,000,931	23,000,931	23,000,931	23,000,931
Improvements to landfill	-	-	2,547,465	2,547,465	2,547,465	2,547,465
Right-to-use lease assets	614,429	629,624	-	-	614,429	629,624
Subscription assets	1,880,919	-	-	-	1,880,919	-
Subtotal	161,215,549	152,983,342	60,335,971	55,362,497	221,551,520	208,345,839
Less accumulated depreciation/amortization	61,323,878	54,931,055	37,356,644	36,561,855	98,680,522	91,492,910
Total	<u>\$ 99,891,671</u>	<u>\$ 98,052,287</u>	<u>\$ 22,979,327</u>	<u>\$ 18,800,642</u>	<u>\$ 122,870,998</u>	<u>\$ 116,852,929</u>

Additional information on Davidson County's capital assets can be found in Note III.A.5 on pages 51 through 55 of this report.

Management's Discussion and Analysis (Continued)

Long-Term Debt. As of June 30, 2023, Davidson County had total bonded debt outstanding of \$18,910,000, which is backed by the full faith and credit of the County.

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds - direct placement	\$ 18,575,000	\$ 22,510,000	\$ 335,000	\$ 380,000	\$ 18,910,000	\$ 22,890,000
Certificates of Participation - direct placement	775,000	1,575,000	-	-	775,000	1,575,000
Qualified School Construction Bonds - direct placement	13,726,926	14,065,391	-	-	13,726,926	14,065,391
Limited obligation bonds - direct placement	51,025,000	54,545,000	3,510,000	4,130,000	54,535,000	58,675,000
Bond premium	14,454,321	15,522,115	628,587	733,352	15,082,908	16,255,467
Leases	225,807	425,325	-	-	225,807	425,325
Subscriptions	1,334,186	-	-	-	1,334,186	-
REDLG Loan - Direct Placement	1,020,000	1,260,000	-	-	1,020,000	1,260,000
Total pension liability (LEOSSA)	5,718,336	5,637,591	-	-	5,718,336	5,637,591
Net pension liability (LGERS)	29,633,856	7,928,755	503,781	60,820	30,137,637	7,989,575
Total OPEB liability	16,819,758	18,501,731	343,262	377,586	17,163,020	18,879,317
Compensated absences	2,485,579	2,484,769	63,015	60,528	2,548,594	2,545,297
Accrued landfill closure and post closure notes	-	-	10,389,594	10,626,976	10,389,594	10,626,976
Total	<u>\$ 155,793,769</u>	<u>\$ 144,455,677</u>	<u>\$ 15,773,239</u>	<u>\$ 16,369,262</u>	<u>\$ 171,567,008</u>	<u>\$ 160,824,939</u>

This legal debt limit is determined by the Municipal Finance Law of North Carolina which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The legal debt margin was \$1,359,686,151.

The County's general obligation debt per capita is \$109.57 as of June 30, 2023 while the County's gross debt per capita is \$405.92 due to \$70,056,926 in outstanding Certificates of Participation, Limited Obligation Bonds, Qualified School Construction Bonds, and REDLG loan. Davidson County's total debt had a net increase of \$10,742,069.

Additional information on Davidson County's long-term debt can be found in Note III.B.7 on pages 75 through 89 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Davidson County is currently 3.5 percent, which is .4 percent less than last year's rate. This rate is .1 percent less the state's average unemployment rate of 3.6 percent.
- Inflationary trends in the region compare favorably to national indices.
- Population of 172,586 has grown 5.4 percent from 2013 to 2023.

Impact of Coronavirus on the County. During the fiscal year, the state and the nation continued to be affected by the spread of a coronavirus. Davidson County's response included closely monitoring sales tax revenues and maintaining conservative spending. Financial impact was minimal to the County during FY2023.

The County received Federal American Rescue Plan ARP funds of \$16.278 million in May 2021 that can be used only for specific expenditures. The majority of these funds will be used during the next several fiscal years. The County received the final distribution of an additional \$16.278 million during FY2022. The County used a portion of the funds in Fiscal Year 2023 to invest in the sewer infrastructure, making necessary investments for economic growth. The sewer expansion will service current and future industrial needs as current capacity along the southern I-85 corridor is not sufficient at this time. The County also used funds for revenue replacement. Revenue replacement funds were approved by the Council to transfer to the appropriate funds to supplant salaries in the amount of \$32,546,083 during FY 2023.

All of these factors were considered in preparing Davidson County's budget for Fiscal Year 2023-2024.

Budget Highlights for Fiscal Year 2023-2024

Governmental Activities - Minimal growth of 7.0 percent in property tax revenue is anticipated over FY2024. The County continues to benefit from the additional Article 44 (increase of \$5.5M) and 46 (increase of \$5M) sales tax receipts. Intergovernmental revenues are budgeted to increase \$2.8M due to the Medicaid Expansion. General Fund reserves, maintained in the current fiscal year through reduced spending initiatives and additional revenues, were appropriated in the amount of \$5.4 million.

While budgeted expenditures increased over FY2023, the increases are covered via the natural growth in property/sales tax collections. Increases for Education and Economic Development, in addition to personnel costs, are slightly offset by a decrease in debt service expenditures budgeted for FY2024. Management plans to re-evaluate capital spending after revenue estimates are realized during the year.

Business-Type Activities - The Sewer Fund anticipates a 10 percent sewer rate increase which the County does not plan to pass on to Davidson County customers. The Landfill fund shows a decrease in overall operating expenses related to landfill construction. There is no anticipated major capital equipment purchases planned at this time.

Requests for Information

This financial report is designed to provide a general overview of Davidson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, P. O. Box 1067, 913 Greensboro Street, Lexington, North Carolina, 27292.

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BASIC FINANCIAL STATEMENTS

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DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Davidson County Airport Authority	Davidson County ABC Board
Assets:					
Cash and cash equivalents	\$ 212,735,834	\$ 28,385,870	\$ 241,121,704	\$ 3,410,601	\$ 2,206,451
Taxes receivable, net	687,232	-	687,232	-	-
Accounts receivable, net	5,959,628	634,124	6,593,752	-	-
Leases receivable, net	66,583	-	66,583	76,294	-
Accrued interest receivable, net	31	-	31	46	-
Due from other governments	22,582,232	139,649	22,721,881	3,974,802	-
Inventory, at cost	87,311	-	87,311	-	566,972
Prepaid items	-	-	-	-	16,432
Restricted cash and cash equivalents	14,941,568	-	14,941,568	-	-
Long-term accounts receivable, net	14,297,492	-	14,297,492	-	-
Long-term note receivable	200,000	-	200,000	-	-
Leases receivable, non-current	12,505	-	12,505	79,312	-
Net pension asset	204,100	-	204,100	-	-
Capital assets:					
Land and construction in progress	22,737,927	5,863,794	28,601,721	18,289,779	-
Other capital assets, net depreciation/amortization	77,153,744	17,115,533	94,269,277	9,183,121	928,782
Total capital assets	99,891,671	22,979,327	122,870,998	27,472,900	928,782
Total assets	371,666,187	52,138,970	423,805,157	35,013,955	3,718,637
Deferred Outflows of Resources:	24,896,407	380,302	25,276,709	-	-
Liabilities:					
Liabilities:					
Accounts payable and accrued liabilities	7,550,000	275,093	7,825,093	2,673,392	645,396
Accrued interest payable	342,714	-	342,714	-	-
Advances from grantor	1,497,101	-	1,497,101	-	-
Long-term liabilities:					
Due within one year	12,433,669	738,381	13,172,050	-	-
Due in more than one year	143,360,100	15,034,858	158,394,958	-	780,692
Total long-term liabilities	155,793,769	15,773,239	171,567,008	-	780,692
Total liabilities	165,183,584	16,048,332	181,231,916	2,673,392	1,426,088
Deferred Inflows of Resources:	4,671,011	66,263	4,737,274	155,477	-
Net Position:					
Net investment in capital assets	67,282,933	18,505,740	85,788,673	27,472,900	152,507
Restricted for:					
Stabilization by state statute	24,147,972	-	24,147,972	-	-
Register of Deeds	508,766	-	508,766	-	-
Register of Deeds' pension plan	301,484	-	301,484	-	-
General government	1,619,992	-	1,619,992	-	-
Public safety	3,182,943	-	3,182,943	-	-
Transportation	1,089,852	-	1,089,852	-	-
Human services	3,171,372	-	3,171,372	-	-
Capital improvements	-	-	-	-	853,705
Working capital	-	-	-	-	198,645
Unrestricted	125,402,685	17,898,937	143,301,622	4,712,186	1,087,692
Total net position	\$ 226,707,999	\$ 36,404,677	\$ 263,112,676	\$ 32,185,086	\$ 2,292,549

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 20,660,936	\$ 3,776,807	\$ 33,496,045	\$ 5,000,000
Human services	31,019,745	326,712	23,899,591	-
Public safety	58,682,734	3,279,208	9,099,154	-
Environmental protection	1,819,084	-	24,002	153,681
Economic and physical development	9,060,881	133,929	1,863,514	2,005,881
Culture and recreation	6,290,681	259,664	368,626	90,654
Transportation	1,600,486	17,700	1,496,143	-
Intergovernmental:				
Education	49,215,624	-	850,000	-
Debt service:				
Interest and fiscal charges	3,221,865	-	1,199,320	-
Total governmental activities	<u>181,572,036</u>	<u>7,794,020</u>	<u>72,296,395</u>	<u>7,250,216</u>
Business-type activities:				
Landfill	4,163,335	5,369,092	-	-
Sewer	1,360,758	1,043,754	-	5,000,000
Total business-type activities	<u>5,524,093</u>	<u>6,412,846</u>	<u>-</u>	<u>5,000,000</u>
Total primary government	<u>\$ 187,096,129</u>	<u>\$ 14,206,866</u>	<u>\$ 72,296,395</u>	<u>\$ 12,250,216</u>
Component units:				
Airport	\$ 1,312,664	\$ 504,348	\$ 381,890	\$ 11,862,036
ABC Board	4,495,007	5,170,198	-	-
Total component units	<u>\$ 5,807,671</u>	<u>\$ 5,674,546</u>	<u>\$ 381,890</u>	<u>\$ 11,862,036</u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Davidson County Airport Authority	Davidson County ABC Board
Primary government:					
Governmental activities:					
General government	\$ 21,611,916	\$ -	\$ 21,611,916		
Human services	(6,793,442)	-	(6,793,442)		
Public safety	(46,304,372)	-	(46,304,372)		
Environmental protection	(1,641,401)	-	(1,641,401)		
Economic and physical development	(5,057,557)	-	(5,057,557)		
Culture and recreation	(5,571,737)	-	(5,571,737)		
Transportation	(86,643)	-	(86,643)		
Intergovernmental:					
Education	(48,365,624)	-	(48,365,624)		
Debt service:					
Interest and fiscal charges	(2,022,545)	-	(2,022,545)		
Total governmental activities	(94,231,405)	-	(94,231,405)		
Business-type activities:					
Landfill	-	1,205,757	1,205,757		
Sewer	-	4,682,996	4,682,996		
Total business-type activities	-	5,888,753	5,888,753		
Total primary government	\$ (94,231,405)	\$ 5,888,753	\$ (88,342,652)		
Component units:					
Airport				\$ 11,435,610	\$ -
ABC Board				-	675,191
Total component units				11,435,610	675,191
General revenues:					
Taxes:					
Property taxes, levied for					
general purposes	113,204,275	-	113,204,275	-	-
Sales tax	53,946,520	-	53,946,520	-	-
Other taxes	1,243,733	485,230	1,728,963	-	-
Interest earnings	6,788,805	942,474	7,731,279	-	8,244
Other	1,221,749	104,765	1,326,514	-	-
Total general revenues before transfers	176,405,082	1,532,469	177,937,551	-	8,244
Transfers	(884,525)	884,525	-	-	-
Total general revenues and transfers	175,520,557	2,416,994	177,937,551	-	8,244
Change in net position	81,289,152	8,305,747	89,594,899	11,435,610	683,435
Net Position:					
Net position - beginning	135,806,385	28,098,930	163,905,315	20,749,476	1,647,972
Restatement	9,612,462	-	9,612,462	-	(38,858)
Net position - beginning, restated	145,418,847	28,098,930	173,517,777	20,749,476	1,609,114
Net position, ending	\$ 226,707,999	\$ 36,404,677	\$ 263,112,676	\$ 32,185,086	\$ 2,292,549

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	Major Funds						
	General Fund	Opioid Fund	ARP Fund	Capital Reserve Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 134,792,597	\$ -	\$ 322,901	\$ 59,772,023	\$ -	\$ 12,359,022	\$ 207,246,543
Taxes receivable, net	381,365	-	-	-	-	305,867	687,232
Accounts receivable, net	3,291,068	16,767,798	-	-	8,409	189,845	20,257,120
Lease receivable	79,088	-	-	-	-	-	79,088
Due from other funds	1,349,731	-	-	-	-	-	1,349,731
Due from other governments	15,366,764	-	-	-	7,184,346	31,122	22,582,232
Restricted cash and cash equivalents	11,072,920	1,619,992	10,000	-	1,738,656	500,000	14,941,568
Long-term note receivable	200,000	-	-	-	-	-	200,000
Total assets	<u>\$ 166,533,533</u>	<u>\$ 18,387,790</u>	<u>\$ 332,901</u>	<u>\$ 59,772,023</u>	<u>\$ 8,931,411</u>	<u>\$ 13,385,856</u>	<u>\$ 267,343,514</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 4,992,235	\$ -	\$ -	\$ -	\$ 1,184,359	\$ 326,496	\$ 6,503,090
Due to other funds	-	-	-	-	1,349,731	-	1,349,731
Advances from grantor	-	-	10,000	-	987,101	500,000	1,497,101
Total liabilities	<u>4,992,235</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>3,521,191</u>	<u>826,496</u>	<u>9,349,922</u>
Deferred Inflows of Resources	<u>1,522,618</u>	<u>16,767,798</u>	<u>-</u>	<u>-</u>	<u>2,184,346</u>	<u>305,867</u>	<u>20,780,629</u>
Fund Balances:							
Nonspendable:							
Long term note receivable	200,000	-	-	-	-	-	200,000
Leases	4,042	-	-	-	-	-	4,042
Restricted:							
Stabilization by state statute	18,941,356	-	-	-	5,008,409	198,207	24,147,972
Register of deeds	508,766	-	-	-	-	-	508,766
General government	-	1,619,992	-	-	-	-	1,619,992
Fire protection	-	-	-	-	-	1,272,869	1,272,869
Transportation	-	-	-	-	-	1,089,852	1,089,852
Public safety	1,610,970	-	-	-	-	299,104	1,910,074
Health	3,171,372	-	-	-	-	-	3,171,372
Economic and physical development	-	-	-	-	751,555	-	751,555
Debt service	11,062,920	-	-	-	-	-	11,062,920
Committed:							
Tax revaluation	10,000	-	-	-	-	-	10,000
LEO Special Separation Allowance	296,340	-	-	-	-	-	296,340
School capital	-	-	-	-	-	9,393,461	9,393,461
Capital projects funds	-	-	-	59,772,023	-	-	59,772,023
General government	-	-	322,901	-	-	-	322,901
Assigned - subsequent year's expenditures	4,965,695	-	-	-	-	-	4,965,695
Unassigned	119,247,219	-	-	-	(2,534,090)	-	116,713,129
Total fund balances	<u>160,018,680</u>	<u>1,619,992</u>	<u>322,901</u>	<u>59,772,023</u>	<u>3,225,874</u>	<u>12,253,493</u>	<u>237,212,963</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 166,533,533</u>	<u>\$ 18,387,790</u>	<u>\$ 332,901</u>	<u>\$ 59,772,023</u>	<u>\$ 8,931,411</u>	<u>\$ 13,385,856</u>	<u>\$ 267,343,514</u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances	\$ 237,212,963
Capital assets and right to use assets used in governmental activities are not financial resources and therefore not reported in the funds.	99,723,690
Net pension asset	204,100
Net pension liability	(29,633,856)
Total OPEB liability	(16,819,758)
Total pension liability	(5,718,336)
Deferred inflows of resources for taxes and other receivables	20,705,584
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	5,562,235
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.	642,748
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position.	161,504
Pension related deferrals	14,527,406
OPEB related deferrals	(593,452)
An internal service fund is used by management to charge the costs of fleet management and health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	4,682,119
Bonds, leases, and installment financing	(101,136,240)
Compensated absences	(2,470,025)
Accrued interest receivable	31
Accrued interest payable	<u>(342,714)</u>
Net position of governmental activities	<u>\$ 226,707,999</u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Opioid Fund	ARP Fund	Capital Reserve Fund	Capital Projects Fund		
Revenues:							
Taxes	\$ 153,224,281	\$ -	\$ -	\$ -	\$ -	\$ 15,090,626	\$ 168,314,907
Licenses and permits	3,843,451	-	-	-	-	-	3,843,451
Intergovernmental	24,700,200	1,619,992	32,546,083	-	5,065,870	2,719,609	66,651,754
Charges for services	9,216,999	-	-	-	-	17,700	9,234,699
Interest on investments	5,296,517	-	1,218,316	-	-	273,974	6,788,807
Miscellaneous	953,421	-	-	-	-	85,637	1,039,058
Total revenues	<u>197,234,869</u>	<u>1,619,992</u>	<u>33,764,399</u>	<u>-</u>	<u>5,065,870</u>	<u>18,187,546</u>	<u>255,872,676</u>
Expenditures:							
Current:							
General government	15,567,029	-	-	-	-	-	15,567,029
Human services	29,743,887	-	-	-	-	-	29,743,887
Public safety	40,768,044	-	-	-	-	13,774,224	54,542,268
Environmental protection	1,710,337	-	-	-	-	-	1,710,337
Economic and physical development	8,371,908	-	-	-	-	-	8,371,908
Culture and recreation	5,751,505	-	-	-	-	-	5,751,505
Transportation	-	-	-	-	-	1,880,752	1,880,752
Intergovernmental:							
Education	39,823,681	-	-	-	-	9,391,943	49,215,624
Capital outlay	-	-	-	-	10,410,012	-	10,410,012
Debt service:							
Principal	9,386,946	-	-	-	-	10,079	9,397,025
Interest and fiscal charges	4,302,329	-	-	-	-	57	4,302,386
Total expenditures	<u>155,425,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,410,012</u>	<u>25,057,055</u>	<u>190,892,733</u>
Excess (deficiency) of revenues over expenditures	<u>41,809,203</u>	<u>1,619,992</u>	<u>33,764,399</u>	<u>-</u>	<u>(5,344,142)</u>	<u>(6,869,509)</u>	<u>64,979,943</u>
Other Financing Sources (Uses):							
Subscription liabilities issued	1,637,262	-	-	-	-	243,657	1,880,919
Transfers from other funds	35,502,928	-	-	23,103,754	5,839,087	5,390,488	69,836,257
Transfers to other funds	(28,255,148)	-	(33,469,928)	(7,274,349)	(1,279,909)	(441,448)	(70,720,782)
Total other financing sources (uses)	<u>8,885,042</u>	<u>-</u>	<u>(33,469,928)</u>	<u>15,829,405</u>	<u>4,559,178</u>	<u>5,192,697</u>	<u>996,394</u>
Net change in fund balances	50,694,245	1,619,992	294,471	15,829,405	(784,964)	(1,676,812)	65,976,337
Fund balances at beginning of year	<u>109,324,435</u>	<u>-</u>	<u>28,430</u>	<u>43,942,618</u>	<u>4,010,838</u>	<u>13,930,305</u>	<u>171,236,626</u>
Fund balances at end of year	<u>\$ 160,018,680</u>	<u>\$ 1,619,992</u>	<u>\$ 322,901</u>	<u>\$ 59,772,023</u>	<u>\$ 3,225,874</u>	<u>\$ 12,253,493</u>	<u>\$ 237,212,963</u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities:**

Total net change in fund balances - governmental funds	\$ 65,976,337
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation was less than capital outlays and loss on disposal in the current period.	
Capital outlays	8,725,802
Depreciation	(6,113,826)
Amortization	(541,250)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental fund report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments	9,397,025
Amortization of bond premium	1,067,794
Subscriptions proceeds	(1,698,228)
Compensated absences	(810)
Pension expense - ROD and LGERS	(3,057,762)
Pension expense - LEOSSA	(405,568)
OPEB plan expense	378,728
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	12,727
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	7,690,346
Internal service funds are used by management to charge the costs of fleet management and health insurance to individual funds. The net income of the internal service funds are reported with governmental activities.	(142,163)
Changes in net position of governmental activities	<u>\$ 81,289,152</u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final
				Positive
				(Negative)
Revenues:				
Taxes	\$ 119,450,634	\$ 109,120,444	\$ 153,224,281	\$ 44,103,837
Licenses and permits	2,031,635	2,031,635	3,843,451	1,811,816
Intergovernmental	21,467,619	25,838,542	24,700,200	(1,138,342)
Charges for services	8,335,748	9,873,181	9,216,999	(656,182)
Interest on investments	50,000	50,000	5,296,517	5,246,517
Miscellaneous	862,644	976,581	953,421	(23,160)
Total revenues	152,198,280	147,890,383	197,234,869	49,344,486
Expenditures:				
Current:				
General government	18,151,249	16,360,475	15,567,029	793,446
Human services	32,649,510	34,612,635	29,743,887	4,868,748
Public safety	38,704,969	42,205,686	40,768,044	1,437,642
Environmental protection	1,654,205	1,765,880	1,710,337	55,543
Economic and physical development	2,973,556	8,844,043	8,371,908	472,135
Culture and recreation	5,406,887	5,927,764	5,751,505	176,259
Intergovernmental:				
Education	39,542,800	39,575,800	39,823,681	(247,881)
Debt service:				
Principal	10,368,465	10,256,946	10,256,946	-
Interest and fiscal charges	4,516,085	4,302,329	4,302,329	-
Total expenditures	153,967,726	163,851,558	156,295,666	7,555,892
Excess (deficiency) of revenues over expenditures	(1,769,446)	(15,961,175)	40,939,203	56,900,378
Other Financing Sources (Uses):				
Subscription liabilities issued	-	-	1,637,262	1,637,262
Transfers from other funds	554,700	37,112,020	35,502,928	(1,609,092)
Transfers to other funds	(4,318,636)	(30,005,759)	(28,255,148)	1,750,611
Total other financing sources (uses)	(3,763,936)	7,106,261	8,885,042	1,778,781
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,533,382)	(8,854,914)	49,824,245	58,679,159
Fund balance appropriated	5,533,382	8,854,914	-	(8,854,914)
Net change in fund balance	\$ -	\$ -	49,824,245	\$ 49,824,245
Fund balance at beginning of year			109,314,435	
Reconciliation from Budgetary Basis to Modified Accrual Basis:				
Debt service payment to sinking fund			870,000	
Fund balance at end of year			160,008,680	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Fund balance at beginning of year			10,000	
Fund balance at end of year (Exhibit 4)			\$ 160,018,680	

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
OPIOID FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 1,535,862	\$ 1,535,862	\$ 1,619,992	\$ 84,130
Expenditures:				
Opioid expenditures	<u>1,535,862</u>	<u>1,535,862</u>	<u>-</u>	<u>1,535,862</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,619,992	<u>\$ 1,619,992</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			<u>\$ 1,619,992</u>	

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	Major Funds			Governmental Activities
	Landfill	Sewer	Total	Internal Service
Assets:				
Current assets:				
Cash and investments	\$ 26,596,981	\$ 1,788,889	\$ 28,385,870	\$ 5,489,291
Accounts receivable, net	545,505	88,619	634,124	-
Due from other governments	139,649	-	139,649	-
Inventory, at cost	-	-	-	87,311
Total current assets	<u>27,282,135</u>	<u>1,877,508</u>	<u>29,159,643</u>	<u>5,576,602</u>
Noncurrent assets:				
Capital assets:				
Land and construction in progress	863,794	5,000,000	5,863,794	-
Other capital assets, net of depreciation	<u>3,764,933</u>	<u>13,350,600</u>	<u>17,115,533</u>	<u>167,981</u>
Total capital assets	<u>4,628,727</u>	<u>18,350,600</u>	<u>22,979,327</u>	<u>167,981</u>
Total noncurrent assets	<u>4,628,727</u>	<u>18,350,600</u>	<u>22,979,327</u>	<u>167,981</u>
Total assets	<u>31,910,862</u>	<u>20,228,108</u>	<u>52,138,970</u>	<u>5,744,583</u>
Deferred Outflows of Resources:	<u>380,302</u>	<u>-</u>	<u>380,302</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Current portion of accrued vacation benefits	48,000	381	48,381	-
Accounts payable and accrued liabilities	225,415	49,678	275,093	1,046,910
General obligation bonds payable	-	45,000	45,000	-
Limited obligation note payable	-	645,000	645,000	-
Total current liabilities	<u>273,415</u>	<u>740,059</u>	<u>1,013,474</u>	<u>1,046,910</u>
Noncurrent liabilities:				
Accrued landfill closure and postclosure costs	10,389,594	-	10,389,594	-
Total OPEB liability	343,262	-	343,262	-
Net pension liability	503,781	-	503,781	-
Accrued vacation benefits	14,634	-	14,634	15,554
General obligation bonds payable	-	583,587	583,587	-
Limited obligation note payable	-	3,200,000	3,200,000	-
Total noncurrent liabilities	<u>11,251,271</u>	<u>3,783,587</u>	<u>15,034,858</u>	<u>15,554</u>
Total liabilities	<u>11,524,686</u>	<u>4,523,646</u>	<u>16,048,332</u>	<u>1,062,464</u>
Deferred Inflows of Resources:	<u>66,263</u>	<u>-</u>	<u>66,263</u>	<u>-</u>
Net Position:				
Net investment in capital assets	4,628,727	13,877,013	18,505,740	167,981
Unrestricted	<u>16,071,488</u>	<u>1,827,449</u>	<u>17,898,937</u>	<u>4,514,138</u>
Total net position	<u>\$ 20,700,215</u>	<u>\$ 15,704,462</u>	<u>\$ 36,404,677</u>	<u>\$ 4,682,119</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Major Funds			Governmental Activities
	Landfill	Sewer	Total	Internal Service
Operating Revenues:				
Intergovernmental	\$ 485,230	\$ -	\$ 485,230	\$ -
Charges for sales and services	5,324,942	1,043,754	6,368,696	20,440,595
Miscellaneous	44,150	-	44,150	12,358
Total operating revenues	<u>5,854,322</u>	<u>1,043,754</u>	<u>6,898,076</u>	<u>20,452,953</u>
Operating Expenses:				
Salaries and benefits	1,297,139	96,932	1,394,071	437,426
Operating	2,019,218	665,437	2,684,655	20,128,006
Depreciation	960,200	378,864	1,339,064	31,334
Closure and postclosure costs	(113,222)	-	(113,222)	-
Total operating expenses	<u>4,163,335</u>	<u>1,141,233</u>	<u>5,304,568</u>	<u>20,596,766</u>
Operating income (loss)	<u>1,690,987</u>	<u>(97,479)</u>	<u>1,593,508</u>	<u>(143,813)</u>
Non-Operating Revenues (Expenses):				
Amortization of premium	-	104,765	104,765	-
Interest earned	942,474	-	942,474	-
Interest expense	-	(219,525)	(219,525)	-
Total nonoperating revenues (expenses)	<u>942,474</u>	<u>(114,760)</u>	<u>827,714</u>	<u>-</u>
Income (loss) before transfers and capital contributions	2,633,461	(212,239)	2,421,222	(143,813)
Transfers from other funds	-	884,525	884,525	-
Capital contribution	-	5,000,000	5,000,000	-
Change in net position	2,633,461	5,672,286	8,305,747	(143,813)
Total net position, beginning	<u>18,066,754</u>	<u>10,032,176</u>	<u>28,098,930</u>	<u>4,825,932</u>
Total net position, ending	<u>\$ 20,700,215</u>	<u>\$ 15,704,462</u>	<u>\$ 36,404,677</u>	<u>\$ 4,682,119</u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds			Governmental Activities
	Landfill	Sewer	Total	Internal Service
Cash Flows from Operating Activities:				
Cash received from customers	\$ 5,107,635	\$ 1,032,868	\$ 6,140,503	\$ 20,500,521
Cash received for interfund services	283,760	-	283,760	-
Cash paid for goods and services	(2,950,653)	(680,288)	(3,630,941)	(19,916,445)
Cash paid to employees for services	(1,240,049)	(96,963)	(1,337,012)	(435,776)
Other operating revenues	496,952	-	496,952	12,358
Net cash provided (used) by operating activities	<u>1,697,645</u>	<u>255,617</u>	<u>1,953,262</u>	<u>160,658</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	884,525	884,525	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(435,693)	(82,056)	(517,749)	-
Principal payments on debt	-	(665,000)	(665,000)	-
Interest payments on debt	-	(219,525)	(219,525)	-
Net cash provided (used) by capital and related financing activities	<u>(435,693)</u>	<u>(966,581)</u>	<u>(1,402,274)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	942,474	-	942,474	-
Net increase (decrease) in cash and cash equivalents	2,204,426	173,561	2,377,987	160,658
Cash and cash equivalents at beginning of year	<u>24,392,555</u>	<u>1,615,328</u>	<u>26,007,883</u>	<u>5,328,633</u>
Cash and cash equivalents at end of year	<u>\$ 26,596,981</u>	<u>\$ 1,788,889</u>	<u>\$ 28,385,870</u>	<u>\$ 5,489,291</u>
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	\$ 1,690,987	\$ (97,479)	\$ 1,593,508	\$ (143,813)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	960,200	378,864	1,339,064	31,334
Change in assets and liabilities and deferred outflows and inflows of resources:				
(Increase) decrease in accounts receivable	22,303	(10,886)	11,417	-
(Increase) decrease in due from other governments	11,722	-	11,722	59,926
(Increase) decrease in inventory	-	-	-	43,506
Increase (decrease) in accounts payable and accrued liabilities	(807,275)	(14,851)	(822,126)	168,055
Increase (decrease) in accrued landfill closure and postclosure costs	(237,382)	-	(237,382)	-
(Increase) decrease in deferred outflows of resources for pensions	(153,217)	-	(153,217)	-
(Increase) decrease in deferred outflows of resources for OPEB	13,611	-	13,611	-
Increase (decrease) in net pension liability	442,961	-	442,961	-
Increase (decrease) in deferred inflows of resources for pensions	(227,445)	-	(227,445)	-
Increase (decrease) in deferred inflows of resources for OPEB	12,986	-	12,986	-
Increase (decrease) in net accrued OPEB liability	(34,324)	-	(34,324)	-
Increase (decrease) in accrued vacation benefits	2,518	(31)	2,487	1,650
Net cash provided (used) by operating activities	<u>\$ 1,697,645</u>	<u>\$ 255,617</u>	<u>\$ 1,953,262</u>	<u>\$ 160,658</u>
Non-Cash Transaction:				
Transfer of capital asset to Sewer Fund	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,396,897
Taxes receivable for other governments, net	<u>1,447,817</u>
Total assets	<u>2,844,714</u>
Liabilities:	
Accounts payable and accrued liabilities	458,433
Due to other governments	<u>1,411,498</u>
Total liabilities	<u>1,869,931</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u><u>\$ 974,783</u></u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
Additions:	
Ad valorem taxes collected for other governments	\$ 146,539,970
Collections on behalf of inmates	655,740
Collections on behalf of the courts	151,994
Collections on behalf of creditors	<u>162,332</u>
Total additions	<u>147,510,036</u>
Deductions:	
Tax distributions to other governments	146,465,213
Payments on behalf of inmates	673,707
Payments on behalf of the courts	88,099
Payments on behalf of creditors	<u>160,780</u>
Total deductions	<u>147,387,799</u>
Change in net position	122,237
Net position, beginning	<u>852,546</u>
Net position - ending	<u><u>\$ 974,783</u></u>

The accompanying notes are an integral part of this statement.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

I. Summary of Significant Accounting Policies

The accounting policies of Davidson County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-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 and its component units, legally separate entities for which the County is financially accountable. Davidson County Airport Authority exists for the operation and maintenance of airport facilities in the County. Davidson County Industrial Facility and Pollution Control Financing Authority (the *Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Davidson County ABC Board exists for the operation of the County's ABC store.

Component Unit	Reporting Method	Criteria for Inclusion	For Separate Financial Statements
Davidson County Airport Authority	Discrete	The Airport Authority is governed by a nine-member board of commissioners that are appointed by the County commissioners. The County can remove any commissioner of the Airport Authority with or without cause.	Davidson County Airport Authority 913 Greensboro St. Lexington, NC 27292
Davidson County Industrial Facility and Pollution Control Financing Authority	Discrete	The Financing Authority is governed by a seven-member board of commissioners that are appointed by the County commissioners. The County can remove any commissioner of the Financing Authority with or without cause.	None Issued
Davidson County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County.	Davidson County ABC Board 12201 N NC Hwy 150, Suite 20 Winston Salem, NC 27127

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. 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. Interfund services provided and used are not eliminated in 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.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund

Opioid Fund. The Opioid Fund is a Special Revenue Fund used to account for settlement proceeds that are restricted for use for a particular purpose. This fund tracks the activities of that funding which will occur at least over 18 years.

ARP Fund. This special revenue fund accounts for monies that have been specifically reserved for American Rescue Plan act expenditures.

Capital Reserve Fund. This capital projects fund accounts for monies that have been specifically reserved for future capital expenditures.

Capital Projects Fund. This capital projects fund accounts for monies that have been specifically reserved for County capital project expenditures.

The County reports the following major enterprise funds:

Landfill Fund. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Sewer Fund. This fund accounts for the operation, maintenance, and development of various sewer lines.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Additionally, the County reports the following fund types:

Internal Service Fund. The County uses an internal service fund to account for fleet management services provided to other departments of the government on a cost reimbursement basis. The County has also established an internal service fund to account for the self-funded employee health care program and workers compensation.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Property Tax Fund, which accounts for funds that are billed and collected by the County for various municipalities and special districts within the County but that are not revenue to the County; the Bid Bond Deposit Fund, which accounts for all cash bid bonds received, the Sheriff-Inmate Account Fund which accounts for funds held on behalf of inmates in the County jail, and the Sheriff-Execution and Evidence Account Fund which accounts for funds held on behalf of others as a result of court ordered sales of property and funds held as evidence.

Nonmajor Funds. The County maintains four legally budgeted funds. The Fire Districts Fund, Transportation Fund, Emergency Telephone Fund, and Special School Districts Fund are reported as nonmajor special revenue funds. The County has the following nonmajor capital project fund: School Capital Outlay Fund.

Measurement Focus, Basis of Accounting

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

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

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on 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.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (except ARP Fund), the Capital Reserve Fund, and the Enterprise Funds. A balanced financial plan is approved concurrent with the adoption of the annual budget for the internal service funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the School Capital Outlay Fund, the Capital Projects Fund, ARP Special Revenue Fund, and the Enterprise Capital Projects funds.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for the General, Special Revenue (except the Fire Districts), Capital Reserve Fund, and Enterprise Funds and at the project level for the multi-year funds. The Fire Districts Fund is budgeted on the functional level by fire district. The Finance Officer, with the concurrence of the Budget Officer, is authorized to make budget transfers between objects of expenditure within a department with a report being submitted to the County Commissioners within thirty days after the transfers. The Board of Commissioners must approve revisions that alter the total appropriations of any department or fund. 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. During the year, several amendments to the original budget were necessary, some of which were material. The effects of the material budget amendments are described below.

Sales taxes of \$22,000,000 were appropriated for a one-time contribution to the Capital Reserve fund. \$32,546.083 in Coronavirus State and Local Fiscal Recovery Funds were appropriated for a one-time contribution to the General Fund in lieu of revenue replacement dollars allocated to supplant salaries. Intergovernmental revenues of \$14,820,972 were appropriated for various grant programs. Additional fund balance of \$3,321,532 was appropriated for one-time capital expenditures and for performance management expenditures earned from the attainment of specific performance goals in the previous year.

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

1. Deposits and Investments

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

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

The majority of the County's investments are carried at fair value. Non-participating interest-earning investment contracts are accounted for at cost.

The North Carolina Capital Management Trust (NCCMT), which consists of a SEC registered mutual fund, is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 money market mutual fund that invests in treasuries government agencies and collateralized repurchase agreements and is rated AAAM by S&P and AAAMf by Moody's Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Cash

Restricted cash consists of the following at June 30, 2023:

Governmental Activities:

General Fund:

Restricted for revaluation	\$ 10,000
Sinking fund debt repayment of QSCB	11,062,920

Other Governmental Funds:

Unexpended settlement proceeds - opioid funds	1,619,992
Unexpended grant proceeds - Wilcox bridge	987,101
Unexpended grant proceeds - SCIF	500,000
Unexpended debt proceeds - REDLG	751,555
Unexpended grant proceeds - ARPA (NC Great Grant)	<u>10,000</u>

Total governmental activities	<u>\$ 14,941,568</u>
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DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

4. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2022. As allowed by state law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. 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.

6. Allowances for Doubtful Accounts

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

7. Inventories and Prepaid Items

The inventory of the County's internal service fund consists of materials and supplies held for consumption. The cost (first-in, first-out method, which approximates market) of the inventory carried is recorded as an expense as the inventory is consumed. Inventory of the ABC Board is valued at the lower of cost (FIFO) or net realizable value.

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. Prepaid items for the County's governmental funds are treated using the consumption method. The ABC Board's prepaid items are treated using the purchases method.

8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000; computer software, \$5,000; and computer equipment, \$500. 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.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

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

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

The right-to-use IT subscription assets are initially measured 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.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

<u>Governmental activities:</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	20 - 40 years
Furniture, equipment and vehicles	5 - 10 years
 <u>Business-type activities:</u>	
Buildings	20 years
Furniture and equipment	5 - 10 years
Improvements	20 years
Sewer lines	50 years
 <u>Component unit - Davidson County Airport Authority:</u>	
Buildings	40 years
Land improvements	50 years
Equipment	10 years
Runways	20 years
 <u>Component unit - Davidson County ABC Board:</u>	
Furniture and equipment	5 - 10 years

9. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – pension and OPEB related deferrals and contributions made to the pension plan and OPEB plan in the current fiscal year. In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represent an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category, property taxes receivable, other receivables, EMS receivables, other pension and OPEB related deferrals, and lease deferrals.

DAVIDSON COUNTY, NORTH CAROLINA
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10. Long-Term Obligations

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

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

11. Compensated Absences

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

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

12. Opioid Settlement Funds

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

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

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

As of June 30, 2023, the County received \$1,619,992 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, 2023. 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.

DAVIDSON COUNTY, NORTH CAROLINA
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13. Reimbursements for Pandemic-Related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$32,556,083 of fiscal recovery funds to be paid in two equal installments. The first installment of \$16,278,042 was received in May 2021. The second installment was received July 2022. The County used a portion of the funds in Fiscal Year 2023, to invest in the sewer infrastructure, making necessary investments for economic growth. The sewer expansion will service current and future industrial needs as current capacity along the southern I-85 corridor is not sufficient at this time. The County also used funds for revenue replacement. Revenue replacement funds were approved by the Council to transfer to the appropriate funds to supplant salaries in the amount of \$32,546,083 during FY 2023.

14. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Long-Term Note Receivable - portion of fund balance that is not an available resource because it represents the year-end balance of an ending note receivable which is not a spendable resource.

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

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

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

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

Restricted for General Government - portion of fund balance that is restricted by revenue source for general government expenditures.

Restricted for Health - portion of fund balance that is restricted by revenue source for health purposes.

Restricted for Fire Protection - portion of fund balance that is restricted by revenue source for fire protection expenditures.

Restricted for Transportation - portion of fund balance that is restricted by revenue source for transportation expenditures.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source to pay sheriff and building inspection expenditures.

Restricted for Economic and Physical Development - portion of fund balance that is restricted by revenue source to pay I-85 Business Park project expenditures.

Restricted for Debt Service - portion of fund balance that is restricted for the repayment of Qualified School Construction Bonds.

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of \$11,062,920 restricted for QSCB debt service, the amount of \$301,484 restricted for the Register of Deeds pension plan, and the unspent debt proceeds of \$751,555.

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Purpose	General Fund	Opioid Fund	Capital Projects Fund	Other Governmental Funds	Total
Register of Deeds	\$ 508,766	\$ -	\$ -	\$ -	\$ 508,766
General Government	-	1,619,992	-	-	1,619,992
Health	3,171,372	-	-	-	3,171,372
Fire Protection	-	-	-	1,439,954	1,439,954
Transportation	-	-	-	1,089,852	1,089,852
Public Safety	1,610,970	-	-	299,104	1,910,074
Economic and Physical Development	-	-	751,555	-	751,555
Debt Service	11,062,920	-	-	-	11,062,920
Total	\$ 16,354,028	\$ 1,619,992	\$ 751,555	\$ 2,828,910	\$ 21,554,485

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

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

Committed for School Capital - portion of fund balance that can only be used for school capital.

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

Committed for LEO Pension Obligation - portion of fund balance that will be used for Law Enforcement Officers' Special Separation Allowance obligations.

Committed for General Government – portion of fund balance committed by revenue source for general government purposes.

Purpose	General Fund	ARP Fund	Capital Reserve Fund	Other Governmental Funds	Total
Tax revaluation	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
School Capital	-	-	-	9,393,461	9,393,461
Capital Projects Fund	-	-	59,772,023	-	59,772,023
LEO Pension obligations	296,340	-	-	-	296,340
General Government	-	322,901	-	-	322,901
Total	\$ 306,340	\$ 322,901	\$ 59,772,023	\$ 9,393,461	\$ 69,794,725

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

DAVIDSON COUNTY, NORTH CAROLINA
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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.

<u>Purpose</u>	<u>General Fund</u>
Subsequent year's expenditures	<u>\$ 4,965,695</u>

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Davidson County has an internal management revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local 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's in the best interest of the County.

Davidson County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least to or greater than 18% of budgeted expenditures. Any portion of the General Fund balance in excess of 20% of budgeted expenditures may be transferred into the Capital Reserve fund for pay-as-you-go capital projects.

15. 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.

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II. Stewardship, Compliance, and Accountability

Excess Expenditures over Appropriations

For the fiscal year ended June 30, 2023, expenditures exceeded appropriation as follows:

General Fund:	
<i>General Government</i>	
Human resource	\$ 6,561
Finance	81,930
State agencies	10,659
Information technology	169,525
<i>Human Services</i>	
Contributions	233,082
<i>Public Safety</i>	
Emergency communications	921,896
Fire Marshal	1,723
Contributions	248,947
<i>Intergovernmental</i>	
Public schools – fines & forfeiture	292,881
Fire Districts Fund	\$ 41,462
Transportation Fund	\$ 212,589
Sewer Fund	\$ 40,195

The over-expenditures occurred because the County failed to budget the spending in the project ordinances and/or in the annual budgets. This will closely be monitored going forward by management and budget amendments will be enacted as needed prior to expending funds in the future. See further action plan by management in the compliance reporting package.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering

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uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for 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 a formal written policy in place regarding custodial credit risk for deposits whereby no more than 50% of the

County's total moneys shall be placed with a single financial institution, with the exclusion of tax funds held by a collecting bank that have not been allocated by the County. The Airport Authority and the ABC Board do not have a policy regarding custodial risk of deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2023, the County deposits had a carrying amount of \$55,962,459 and a bank balance of \$62,415,544. Of the bank balance, \$588,359 was covered by federal depository insurance and \$61,827,185 in both interest-bearing and noninterest bearing deposits were covered by collateral held under the Pooling Method. The County also has \$1,396,897 held on behalf of others in the Custodial Funds. At June 30, 2023, Davidson County had \$4,401 cash on hand.

At June 30, 2023, the Airport Authority had a carrying amount of \$3,410,601 and a bank balance of \$3,410,601. At June 30, 2023, the Davidson County ABC Board had a carrying amount of \$2,204,451 and a bank balance of \$2,220,062. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,970,062 was covered by collateral held under the Pooling Method. At June 30, 2023, the Davidson County ABC Board had \$2,000 cash on hand.

2. Investments

As of June 30, 2023, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less Than 6 Months	1-3 Years
	Measurement Method			
N.C. Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 191,993,920	\$ 191,993,920	N/A
U.S. Government Agencies	Fair Value - Level 2	8,102,492	-	8,102,492
Total investments		<u>\$ 200,096,412</u>	<u>\$ 191,993,920</u>	<u>\$ 8,102,492</u>

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Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S & P and AAA-mf by Moody's Investor service.

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) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from interest rates, the County's formal investment policy limitations are that no less than half of the investment portfolio shall mature in 90-days and the average maturity of the portfolio shall mature within one year.

Credit Risk – The County's formal investment policy 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. North Carolina statutes limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROS). The County's investments in the North Carolina Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Service as of June 30, 2023. The County's investments in US agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The County's formal investment policy indicates that the County shall utilize a third-party custodial agent for book entry transactions, all of which shall be a trust department authorized to do work in North Carolina who has an account with the Federal Reserve. Certified securities shall be in the custody of the Finance Director.

Concentration of Credit Risk. The County's Board places no limit on the amount that the County may invest in any one issuer. Less than 5 percent of the County's investments are in Federal Home Bank Loan investments. These investments are 4.05%, respectively, of the County's total investments.

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

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

Year Levied	Tax	Interest	Total
2019	\$ 3,071,087	\$ 1,282,179	\$ 4,353,266
2020	3,061,172	1,002,534	4,063,706
2021	3,167,832	752,360	3,920,192
2022	3,110,382	458,781	3,569,163
2023	3,140,955	180,605	3,321,560
Total	\$ 12,480,341	\$ 2,394,280	\$ 14,874,621

4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

	Taxes	Accounts	Leases and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:					
General	\$ 5,217,014	\$ 35,171,287	\$ 79,119	\$ 15,366,764	\$ 55,834,184
Other governmental	504,473	22,379,654	-	7,215,468	30,099,595
Total receivables	5,721,487	57,550,941	79,119	22,582,232	85,933,779
Allowance for doubtful accounts	(5,034,255)	(37,293,821)	-	-	(42,328,076)
Total government activities	\$ 687,232	\$ 20,257,120	\$ 79,119	\$ 22,582,232	\$ 43,605,703
Business-Type Activities:					
Landfill	\$ -	\$ 610,564	\$ -	\$ 139,649	\$ 750,213
Sewer	-	88,619	-	-	88,619
Total receivables	-	699,183	-	139,649	838,832
Allowance for doubtful accounts	-	(65,059)	-	-	(65,059)
Total business-type activities	\$ -	\$ 634,124	\$ -	\$ 139,649	\$ 773,773

DAVIDSON COUNTY, NORTH CAROLINA
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Due from other governments consists of the following at June 30, 2023:

Governmental Activities:

Local option sales tax	\$ 12,258,391
Sales tax refund	691,765
Grants reimbursements	8,293,378
Others	<u>1,338,698</u>
Total	<u>\$ 22,582,232</u>

Business-Type Activities:

Landfill - others	<u>\$ 139,649</u>
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During fiscal year 2011, the County advanced \$500,000 to the Town of Wallburg for the purchase of property for economic development. Annual payments of \$25,000 are to be made over twenty years. Interest will not be charged for the first ten years of the repayment term; however, beginning January 1, 2021, and continuing for the remainder of the term of the loan, interest will be charged on the outstanding balance at a rate of prime plus one percent. The balance of the long-term note receivable is \$200,000 at June 30, 2023.

Lease Receivable

Serviced by the General Fund:

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 06/01/2023, Davidson County, North Carolina, entered into a 36-month lease as Lessor for the use of NCDMV - 106 Alma Owens. An initial lease receivable was recorded in the amount of \$16,024. As of 06/30/2023, the value of the lease receivable is \$15,590. The lessee is required to make monthly fixed payments of \$448. The lease has an interest rate of 2.3630%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$15,579, and Davidson County, North Carolina, recognized lease revenue of \$445 during the fiscal year.

On 07/01/2021, Davidson County, North Carolina, entered into a 36-month lease as Lessor for the use of Tower Space - 356 Tyro School Road. An initial lease receivable was recorded in the amount of \$71,379. As of 06/30/2023, the value of the lease receivable is \$25,738. The lessee is required to make monthly fixed payments of \$1,891. The lease has an interest rate of 0.2850%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$24,827, and Davidson County, North Carolina, recognized lease revenue of \$23,276 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

DAVIDSON COUNTY, NORTH CAROLINA
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On 07/01/2021, Davidson County, North Carolina, entered into a 31-month Sublease lease as Lessor for the use of Hickory Tree Crossing. An initial lease receivable was recorded in the amount of \$150,645. As of 06/30/2023, the value of the lease receivable is \$37,760. The lessee is required to make monthly fixed payments of \$4,725. The lease has an interest rate of 0.2850%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$34,640, and Davidson County, North Carolina, recognized lease revenue of \$58,002 during the fiscal year.

Governmental Activities			
Fiscal Year	Principal	Interest	Total
2024	\$ 66,583	\$ 397	\$ 66,980
2025	7,342	191	7,533
2026	5,163	61	5,224
	<u>\$ 79,088</u>	<u>\$ 649</u>	<u>\$ 79,737</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 18,880,488	\$ -	\$ -	\$ 67,258	\$ 18,947,746
Construction in progress	1,164,877	3,790,181	-	(1,164,877)	3,790,181
Intangible w astew ater rights	-	5,000,000	-	(5,000,000)	-
Total non-depreciable capital assets	<u>20,045,365</u>	<u>8,790,181</u>	<u>-</u>	<u>(6,097,619)</u>	<u>22,737,927</u>
Depreciable Assets:					
Buildings and improvements	91,998,275	1,071,475	-	1,076,852	94,146,602
Furniture and equipment	28,143,744	1,069,825	7,995	20,767	29,226,341
Vehicles and motor equipment	12,166,334	913,402	470,405	-	12,609,331
Right-to-use lease assets	629,624	-	15,195	-	614,429
Subscription assets	-	1,880,919	-	-	1,880,919
Total depreciable assets	<u>132,937,977</u>	<u>4,935,621</u>	<u>493,595</u>	<u>1,097,619</u>	<u>138,477,622</u>

DAVIDSON COUNTY, NORTH CAROLINA
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	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Less Accumulated Depreciation and Amortization:					
Buildings	30,552,239	3,115,536	-	-	33,667,775
Furniture and equipment	15,559,191	1,786,154	7,995	-	17,337,350
Vehicles and motor equipment	8,819,625	1,243,470	470,405	-	9,592,690
Right-to-use lease assets	200,008	200,011	15,195	-	384,824
Subscription assets	-	341,239	-	-	341,239
Total accumulated depreciation and amortization	<u>55,131,063</u>	<u>6,686,410</u>	<u>493,595</u>	<u>-</u>	<u>61,323,878</u>
 Total depreciable capital assets, net	 <u>77,806,914</u>				 <u>77,153,744</u>
 Governmental activities capital assets, net	 <u>\$ 97,852,279</u>				 <u>\$ 99,891,671</u>

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

<u>Depreciation/Amortization By Function</u>	
General government	\$ 4,387,941
Human services	167,209
Public safety	1,786,446
Environmental protection	71,544
Culture and recreation	91,352
Transportation	150,584
Capital assets held by the County's Internal Service Fund are charged to the various functions based on asset usage	<u>31,334</u>
Total	<u>\$ 6,686,410</u>

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	Balance July 1, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Business-Type Activities:					
Landfill					
Non-Depreciable Assets:					
Land	\$ 863,794	\$ -	\$ -	\$ -	\$ 863,794
Depreciable Assets:					
Buildings	809,028	-	-	-	809,028
Furniture and equipment	9,886,100	435,693	544,275	-	9,777,518
Landfill cell construction	23,000,931	-	-	-	23,000,931
Improvements	2,547,465	-	-	-	2,547,465
Total depreciable assets	<u>36,243,524</u>	<u>435,693</u>	<u>544,275</u>	<u>-</u>	<u>36,134,942</u>
Less Accumulated Depreciation:					
Buildings	585,822	24,108	-	-	609,930
Furniture and equipment	7,122,432	399,518	544,275	-	6,977,675
Landfill cell construction	21,822,819	514,086	-	-	22,336,905
Improvements	2,423,011	22,488	-	-	2,445,499
Total accumulated depreciation	<u>31,954,084</u>	<u>960,200</u>	<u>544,275</u>	<u>-</u>	<u>32,370,009</u>
Total depreciable capital assets, net	<u>4,289,440</u>				<u>3,764,933</u>
Landfill capital assets, net	<u>5,153,234</u>				<u>4,628,727</u>
Sewer					
Non-Depreciable Assets:					
Intangible wastewater rights	-	-	-	5,000,000	5,000,000
Depreciable Assets:					
Equipment	127,481	82,056	-	-	209,537
Sewer lines	18,127,698	-	-	-	18,127,698
Total depreciable capital assets	<u>18,255,179</u>	<u>82,056</u>	<u>-</u>	<u>-</u>	<u>18,337,235</u>
Less Accumulated Depreciation:					
Equipment	87,310	16,521	-	-	103,831
Sewer lines	4,520,461	362,343	-	-	4,882,804
Total accumulated depreciation	<u>4,607,771</u>	<u>378,864</u>	<u>-</u>	<u>-</u>	<u>4,986,635</u>
Total depreciable capital assets, net	<u>13,647,408</u>				<u>13,350,600</u>
Sewer capital assets, net	<u>13,647,408</u>				<u>18,350,600</u>
Business-type activities capital assets, net	<u>\$ 18,800,642</u>				<u>\$ 22,979,327</u>

DAVIDSON COUNTY, NORTH CAROLINA
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Construction Commitments

The Capital Projects fund has active construction projects at June 30, 2023. At year-end, the commitments with contractors were \$5,994,655.

<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
<u>\$ 14,564,896</u>	<u>\$ 5,994,655</u>

Discretely Presented Component Units

Capital asset activity for the Davidson County Airport Authority for the year ended June 30, 2023, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
By Asset Type:					
Non-Depreciable Assets:					
Land	\$ 5,227,469	\$ -	\$ -	\$ -	\$ 5,227,469
Construction in progress	6,962,111	11,270,455	-	(5,170,256)	13,062,310
Total non-depreciable assets	<u>12,189,580</u>	<u>11,270,455</u>	<u>-</u>	<u>(5,170,256)</u>	<u>18,289,779</u>
Depreciable Assets:					
Buildings	3,327,443	2,000,001	-	42,240	5,369,684
Land improvements	603,180	-	-	-	603,180
Equipment	382,817	-	-	5,128,016	5,510,833
Paving & grading	2,065,616	-	-	-	2,065,616
Runways	11,168,962	-	-	-	11,168,962
Total depreciable assets	<u>17,548,018</u>	<u>2,000,001</u>	<u>-</u>	<u>5,170,256</u>	<u>24,718,275</u>
Less Accumulated Depreciation:					
Buildings	1,373,121	109,595	-	-	1,482,716
Land improvements	110,315	9,061	-	-	119,376
Equipment	379,933	513,866	-	-	893,799
Paving & grading	1,766,269	104,032	-	-	1,870,301
Runways	11,168,962	-	-	-	11,168,962
Total accumulated depreciation	<u>14,798,600</u>	<u>736,554</u>	<u>-</u>	<u>-</u>	<u>15,535,154</u>
Capital assets, net	<u>\$ 14,938,998</u>				<u>\$ 27,472,900</u>

DAVIDSON COUNTY, NORTH CAROLINA
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Capital asset activity for the Davidson County ABC Board for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Building Improvements	\$ 100,782	\$ -	\$ -	\$ 100,782
Furniture and equipment	137,113	6,991	-	144,104
Right-to-use lease assets	912,426	-	-	912,426
Total capital assets being depreciated	<u>1,150,321</u>	<u>6,991</u>	<u>-</u>	<u>1,157,312</u>
Less accumulated depreciation for:				
Building Improvements	18,747	6,797	-	25,544
Furniture and equipment	47,949	18,886	-	66,835
Right-to-use lease assets	68,028	70,538	2,415	136,151
Total accumulated depreciation	<u>134,724</u>	<u>96,221</u>	<u>2,415</u>	<u>228,530</u>
Total capital assets being depreciated, net	<u>\$ 1,015,597</u>	<u>\$ (89,230)</u>	<u>\$ (2,415)</u>	<u>\$ 928,782</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2023, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 2,220,306	\$ 2,771,929	\$ 1,046,910	\$ 6,039,145
Other governmental	1,510,855	-	-	1,510,855
Total governmental activities	<u>\$ 3,731,161</u>	<u>\$ 2,771,929</u>	<u>\$ 1,046,910</u>	<u>\$ 7,550,000</u>
Business-Type Activities:				
Landfill	\$ 225,415	\$ -	\$ -	\$ 225,415
Sewer	49,678	-	-	49,678
Total business-type activities	<u>\$ 275,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,093</u>
Discretely Presented Component Units:				
Davidson County Airport Authority	<u>\$ 2,673,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,673,392</u>
Davidson County ABC Board	<u>\$ 645,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,396</u>

DAVIDSON COUNTY, NORTH CAROLINA
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2. Pension Plan Obligations and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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.

DAVIDSON COUNTY, NORTH CAROLINA
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Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers and 12.16% 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 \$5,496,305 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$30,137,637 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the County's proportion was .53422% (measured as of June 30, 2022), which was an increase of .01325% from its proportion measured as of June 30, 2022 (measured as of June 30, 2021).

DAVIDSON COUNTY, NORTH CAROLINA
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For the year ended June 30, 2023, the County recognized pension expense of \$8,611,155. At June 30, 2023, 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	\$ 1,298,603	\$ 127,321
Changes of assumptions	3,007,060	-
Net difference between projected and actual earnings on pension plan investments	9,960,804	-
Changes in proportion and differences between County contributions and proportionate share of contributions	316,529	168,294
County contributions subsequent to the measurement date	5,496,305	-
Total	<u>\$ 20,079,301</u>	<u>\$ 295,615</u>

\$5,496,305 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, 2024. 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
2024	\$ 4,506,041
2025	3,822,812
2026	1,213,016
2027	4,745,512
2028	-
Thereafter	-
Total	<u>\$ 14,287,381</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

DAVIDSON COUNTY, NORTH CAROLINA
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The plan actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 actuarial valuation were 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 by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	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%
Inflation Sensitive	6.0%	2.7%
Total	100%	

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.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Discount</u> <u>Rate (6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 54,394,553	\$ 30,137,637	\$ 10,148,529

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.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. Davidson 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. The Separation Allowance is equal to .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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	11
Active plan members	<u>123</u>
Total	<u><u>134</u></u>

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per annum
Salary increases	3.25 - 7.75% per annum.
Discount rate	4.31% per annum, compounded annually

The discount rate used to measure the TPL in the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate: All mortality rates use Pub-2010 amount-weighted tables and are projected from 2010 using generational improvement with scale MP-2019.

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

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1-year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

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

DAVIDSON COUNTY, NORTH CAROLINA
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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 \$177,338 as benefits came due for the reporting period.

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

At June 30, 2023, the County reported a liability of \$5,718,336. The total pension liability was measured as of December 31, 2021, based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$664,214.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 823,708	\$ 87,948
Changes of assumptions	741,278	955,432
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>161,504</u>	<u>-</u>
Total	<u>\$ 1,726,490</u>	<u>\$ 1,043,380</u>

\$161,504 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 238,931
2025	243,849
2026	112,362
2027	(56,337)
2028	(17,199)
Thereafter	<u>-</u>
Total	<u>\$ 521,606</u>

DAVIDSON COUNTY, NORTH CAROLINA
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Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 4.31 percent as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31 percent) or 1 percentage point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 6,194,372	\$ 5,718,336	\$ 5,285,803

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

	2023
Beginning balance	\$ 5,637,591
Service cost	309,726
Interest on the total pension liability	124,851
Difference between expected and actual experience in the measurement of the total pension liability	855,356
Changes of assumptions or other inputs	(1,031,850)
Benefit payments	(177,338)
Ending balance of the total pension liability	<u>\$ 5,718,336</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at December 31, 2021 (measurement date) to 4.31 percent at December 31, 2022 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study as of December 31, 2019.

DAVIDSON COUNTY, NORTH CAROLINA
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c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

Contributions for the year ended June 30, 2023, were \$596,957, which consisted of \$405,197 from the County and \$191,760 from the law enforcement officers. No amounts were forfeited.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Davidson County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local 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.

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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 \$14,511 the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$204,100 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, 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, 2022, the County's proportion was 1.54154%, which was a decrease of 0.06417% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$19,714. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,572	\$ 3,700
Changes of assumptions	10,806	-
Net difference between projected and actual earnings on pension plan investments	84,831	-
Changes in proportion and differences between County contributions and proportionate share of contributions	8,782	19,418
County contributions subsequent to the measurement date	14,511	-
Total	<u>\$ 120,502</u>	<u>\$ 23,118</u>

DAVIDSON COUNTY, NORTH CAROLINA
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\$14,511 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, 2024. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 10,116
2025	23,182
2026	28,241
2027	21,334
2028	-
Thereafter	-
Total	<u>\$ 82,873</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	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, 2021, valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

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The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income 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. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.1%.

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 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	Discount	1% Increase
	(2.00%)	Rate (3.00%)	(4.00%)
County's proportionate share of the net pension liability (asset)	\$ (235,254)	\$ (204,100)	\$ (347,371)

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.

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Pension Liabilities, 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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021.

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the net pension liability (asset)	\$ 30,137,637	\$ (204,100)	\$ -	\$ 29,933,537
Proportion of the net pension liability (asset)	0.53422%	-1.54154%	n/a	-
Total pension liability	-	-	\$ 5,718,336	5,718,336
Pension expense	8,611,155	19,714	664,214	9,295,083

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources:				
Pensions - difference between expected and actual experience	\$ 1,298,603	\$ 1,572	\$ 823,708	\$ 2,123,883
Pensions - difference between projected and actual investment earnings	9,960,804	84,831	-	10,045,635
Changes of assumptions	3,007,060	10,806	741,278	3,759,144
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	316,529	8,782	-	325,311
County contributions (LGERS, ROD)/ benefit payments and administration costs (LEOSSA) subsequent to the measurement date	5,496,305	14,511	161,504	5,672,320
Total	<u>\$ 20,079,301</u>	<u>\$ 120,502</u>	<u>\$ 1,726,490</u>	<u>\$ 21,926,293</u>

Deferred Inflows of Resources:

Pensions - difference between expected and actual experience	\$ 127,321	\$ 3,700	\$ 87,948	\$ 218,969
Changes of assumptions	-	-	955,432	955,432
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	168,294	19,418	-	187,712
Total	<u>\$ 295,615</u>	<u>\$ 23,118</u>	<u>\$ 1,043,380</u>	<u>\$ 1,362,113</u>

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e. Other Postemployment Benefits (OPEB)

Healthcare Benefits

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Retiree Health Insurance Plan (the RHI Plan). The County board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. Employees hired prior to July 1, 2009, who retire under the NC Local Governmental Retirement System (NCLGRS) with at least twenty years of credited service, of which the last ten years must have been consecutive with Davidson County, and are age 55 or older and/or have thirty years of service, and are actively employed with the County at the time of retirement are eligible to participate in the County's Retiree Health Insurance Plan until they reach age 65 or obtain Medicare, whichever comes first.

Retirees hired prior to July 1, 2009, receive the same benefits as active employees. The cost of insurance is borne by the retirees at a pro rata share based on years of service. The County obtains health care coverage through private insurers. The County may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the RHI Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	48
Active plan members	<u>270</u>
Total	<u><u>318</u></u>

Funding Policy. The County subsidizes the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Board. For an active employee with 30 years or more of service, the County will contribute 100% of the full cost of coverage; for an active employee with 25-29 years of service, the County will contribute 67% of the full cost of coverage; and for an active employee with 20-24 years of service, the County will contribute 33% of the full cost of coverage. Dependent coverage is not provided. The County has chosen to fund the healthcare benefits on a pay as you go basis.

County Contributions Based on Years of Creditable Service	
<u>Years of Service with County at Retirement</u>	<u>County Pays</u>
30+	100%
25 - 29	67%
20-24	33%
Less than 20	Not Eligible

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The County's total OPEB liability of \$17,163,020 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases:	
General employees & Firefighters	3.25 to 8.41 percent, including wage inflation
Firefighters	3.25 to 8.15 percent, including wage inflation
Law enforcement officers	3.25 to 7.90 percent, including wage inflation
Municipal Bond Index Rate:	
Prior measurement date	2.16 percent
Measurement date	3.54 percent
Healthcare cost trends:	
Pre-Medicare	7.00 percent for 2021 decreasing to an ultimate rate of 4.50% by 2031

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 18,879,317
Changes for the year:	
Service cost	453,959
Interest	410,914
Differences between expected and actual experience	34,410
Changes of assumptions or other inputs	(1,993,269)
Benefit payments	(622,311)
Net changes	(1,716,297)
Balance at June 30, 2023	\$ 17,163,020

Change in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54% due to a change in the Municipal Bond Rate.

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

The actuarial assumptions used in the June 30, 2021, valuations were based on the results of an actuarial experience study for the period January 2015 through December 2019, adopted by the LGERS Board.

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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	<u>\$ 18,582,192</u>	<u>\$ 17,163,020</u>	<u>\$ 15,869,577</u>

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 too 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% Increase	Current	1% Decrease
Total OPEB liability	<u>\$ 15,610,838</u>	<u>\$ 17,163,020</u>	<u>\$ 18,917,510</u>

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$526,783. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,241	\$ 1,559,335
Changes of assumptions	2,607,310	1,740,780
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>655,865</u>	<u>-</u>
Total	<u>\$ 3,350,416</u>	<u>\$ 3,300,115</u>

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\$655,865 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2024	\$ (251,623)
2025	(97,720)
2026	39,067
2027	(295,288)
2028	-
Thereafter	-
Total	<u>\$ (605,564)</u>

f. Other Employment Benefits

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

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3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:		
LGERS/ROD/LEOSSA	\$ 2,123,883	\$ 218,969
OPEB	87,241	1,559,335
Net difference between projected and actual investment earnings:		
LGERS/ROD/LEOSSA	10,045,635	-
Changes of assumptions:		
LGERS/ROD/LEOSSA	3,759,144	955,432
OPEB	2,607,310	1,740,780
Change in proportion and difference between employer contributions and proportionate share of contributions:		
LGERS/ROD/LEOSSA	325,311	187,712
Contributions to pension plan subsequent to measurement date (LGERS/ROD)	5,510,816	-
Benefits payments/administration costs paid subsequent to the measurement date (LEOSSA/OPEB)	817,369	-
Leases	-	75,046
Taxes Receivable, net (General)	-	381,365
Taxes receivable, net (Special Revenue)	-	305,867
EMS receivables (General)	-	964,982
Other receivables (Capital Projects)	-	2,184,346
Other receivables (General)	-	101,225
Other receivables (Opioid Fund)	-	16,767,798
Total	<u>\$ 25,276,709</u>	<u>\$ 25,442,857</u>

4. Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The total of \$10,389,594 reported as landfill closure and postclosure care liability at June 30, 2023 represents a cumulative amount reported to date based on the use of 100 percent of the total estimated capacity of Phase I of the landfill, 100% of the total estimated capacity of Phase II Areas 1 & 2 of the landfill, 81% of Phase II Area 3, and 100% of the total estimated capacity of the C&D

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section of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,567,095 as the remaining estimated capacity of Phase II Areas 3 is filled (estimated to be approximately 1.44 years). These amounts are based on what it would cost to perform all closure and postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. Management continues to analyze the cost associated with the above-mentioned environmental regulations and believes that future funding will be available to meet all costs related to these regulations.

5. Risk Management

The County and the Airport Authority are exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport Authority carries no commercial coverage for workers' compensation. The County is self-insured up to the statutory limits and has purchased additional coverage to limit the County's losses to \$1,000,000 per occurrence.

In accordance with G.S 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Director and the Tax Administrator are individually bonded for \$1,000,000 and \$250,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000. The Airport Authority's Finance Director is bonded for \$100,000.

The County and the Airport Authority carry commercial coverage for liability and property insurance. 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. The Airport Authority carries no commercial flood insurance. The County carries coverage of \$1,000,000 in commercial flood insurance for the Governmental Center and the Health Services Building.

The County's employee health care program is financed using an entirely self-funded plan. Two optional health plans are available to employees, retirees, covered dependents, and eligible former employees. The County administers both healthcare plans through a self-funded program, supplemented by employee contributions, to pay claims administration and medical claims of the employees and their covered dependents. Specific stop loss insurance with a deductible of \$125,000 for all occurrences and an aggregate stop loss insurance of 125% of estimated claims are purchased to limit the County's losses for the overall program. Liabilities of the program 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 of claims that have been incurred but not reported (IBNRs). The County reasonably expects these claims to be paid within one year of occurrence.

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Changes in the County's claims liability balance are as follows:

	<u>2022</u>	<u>2023</u>
Balance, beginning of year	\$ 715,000	\$ 765,000
Incurred claims (including IBNRs) and changes in estimates	12,425,494	14,153,972
Less claims payments	<u>(12,375,494)</u>	<u>(13,472,972)</u>
Balance, end of year	<u>\$ 765,000</u>	<u>\$ 681,000</u>

6. Contingent Liabilities

At June 30, 2023, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Leases

Serviced by the General Fund:

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.

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, the County entered into a 57-month lease as Lessee for the use of Savin Printers. An initial lease liability was recorded in the amount of \$63,695. As of 06/30/2023, the value of the lease liability is \$37,068. The County is required to make monthly fixed payments of \$2,512. The lease has an interest rate of 0.5270%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$63,695 with accumulated amortization of \$26,417.

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On 07/01/2021, the County entered into a 68-month lease as Lessee for the use of Thomasville Township. An initial lease liability was recorded in the amount of \$15,604. As of 06/30/2023, the value of the lease liability is \$9,402. The County is required to make annual fixed payments of \$3,174. The lease has an interest rate of 0.6370%. The value of the right-to-use asset as of 06/30/2023 is \$15,604 with accumulated amortization of \$5,507. The County has 1 extension option(s), each for 60-months.

On 01/06/2022, the County entered into a 60-month lease as Lessee for the use of Evans Road. An initial lease liability was recorded in the amount of \$22,495. As of 06/30/2023, the value of the lease liability is \$14,995. The County is required to make annual fixed payments of \$3,809. The lease has an interest rate of 0.6360%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$22,495 with accumulated amortization of \$6,686.

On 07/01/2021, the County entered into a 64-month lease as Lessee for the use of Boone Township. An initial lease liability was recorded in the amount of \$16,146. As of 06/30/2023, the value of the lease liability is \$9,705. The County is required to make annual fixed payments of \$3,269. The lease has an interest rate of 0.5270%. The value of the right-to-use asset as of 06/30/2023 is \$16,146 with accumulated amortization of \$6,055.

On 07/01/2021, the County entered into a 27-month lease as Lessee for the use of Fax Option - Dept of Social Services. An initial lease liability was recorded in the amount of \$537. As of 06/30/2023, the value of the lease liability is \$60. The County is required to make monthly fixed payments of \$20. The lease has an interest rate of 0.1980%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$537 with accumulated amortization of \$464.

On 07/01/2021, the County entered into a 34-month lease as Lessee for the use of Canon Printer. An initial lease liability was recorded in the amount of \$67,102. As of 06/30/2023, the value of the lease liability is \$18,348. The County is required to make quarterly fixed payments of \$6,543. The lease has an interest rate of 0.2850%. The value of the right-to-use asset as of 06/30/2023 is \$67,102 with accumulated amortization of \$46,057.

On 07/01/2021, the County entered into a 39-month lease as Lessee for the use of Savin Multifunctional Printer. An initial lease liability was recorded in the amount of \$9,372. As of 06/30/2023, the value of the lease liability is \$3,614. The County is required to make monthly fixed payments of \$313. The lease has an interest rate of 0.2850%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$9,372 with accumulated amortization of \$5,670.

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On 07/01/2021, the County entered into a 32-month lease as Lessee for the use of Konica Minolta Copier. An initial lease liability was recorded in the amount of \$3,347. As of 06/30/2023, the value of the lease liability is \$839. The County is required to make monthly fixed payments of \$105. The lease has an interest rate of 0.2850%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$3,347 with accumulated amortization of \$2,467.

On 07/01/2021, the County entered into a 24-month lease as Lessee for the use of Ricoh Copier. An initial lease liability was recorded in the amount of \$5,228. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$218. The lease has an interest rate of 0.1980%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$5,227 with accumulated amortization of \$5,079.

On 07/01/2021, the County entered into a 25-month lease as Lessee for the use of Savin MP - Dept of Social Services. An initial lease liability was recorded in the amount of \$11,102. As of 06/30/2023, the value of the lease liability is \$445. The County is required to make monthly fixed payments of \$1,105. The lease has an interest rate of 0.1980%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$11,102 with accumulated amortization of \$10,435.

On 07/01/2021, the County entered into a 24-month lease as Lessee for the use of Ricoh Branding Set. An initial lease liability was recorded in the amount of \$15,860. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make quarterly fixed payments of \$1,986. The lease has an interest rate of 0.1980%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$15,860 with accumulated amortization of \$15,390.

On 07/01/2021, the County entered into a 31-month Sublease lease as Lessee for the use of Hickory Tree Crossing - Prime Lease. An initial lease liability was recorded in the amount of \$150,645. As of 06/30/2023, the value of the lease liability is \$37,760. The County is required to make monthly fixed payments of \$4,725. The lease has an interest rate of 0.2850%. The Buildings estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$150,645 with accumulated amortization of \$116,005. The County has 2 extension option(s), each for 60 months.

On 07/01/2021, the County entered into a 40-month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of \$233,297. As of 06/30/2023, the value of the lease liability is \$93,571. The County is required to make monthly fixed payments of \$9,660. The lease has an interest rate of 0.2850%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$233,297 with accumulated amortization of \$138,592.

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Governmental Activities			
Fiscal Year	Principal	Interest	Total
2024	\$ 153,949	\$ 618	\$ 154,567
2025	47,744	252	47,996
2026	20,329	108	20,437
2027	3,785	24	3,809
	<u>\$ 225,807</u>	<u>\$ 1,002</u>	<u>\$ 226,809</u>

b. Subscriptions

Serviced by the General Fund:

The County has entered into agreements to lease certain equipment. The subscription agreements qualify as other than short-term leases under GASB 96 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right-to-use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 08/02/2022, the County entered into a 36-month subscription for the use of HR Learning system. An initial subscription liability was recorded in the amount of \$33,915. As of 06/30/2023, the value of the subscription liability is \$22,365. The County is required to make annual fixed payments of \$12,700. The subscription has an interest rate of 2.1840%. The value of the right-to-use asset as of 06/30/2023 is \$33,915 with accumulated amortization of \$10,331.

On 07/01/2022, the County entered into a 72-month subscription for the use of 911 Communications. An initial subscription liability was recorded in the amount of \$1,059,477. As of 06/30/2023, the value of the subscription liability is \$884,953. The County is required to make annual fixed payments of \$174,524. The subscription has an interest rate of 2.5200%. The value of the right-to-use asset as of 06/30/2023 is \$1,059,477 with accumulated amortization of \$176,579.

On 06/01/2023, the County entered into a 60-month subscription for the use of Health Records software. An initial subscription liability was recorded in the amount of \$105,183. As of 06/30/2023, the value of the subscription liability is \$103,312. The County is required to make monthly fixed payments of \$1,871. The subscription has an interest rate of 2.6820%. The value of the right-to-use asset as of 06/30/2023 is \$105,183. with accumulated amortization of \$1,753.

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On 07/01/2022, the County entered into a 35-month subscription for the use of Hosted IP Telephone system & software. An initial subscription liability was recorded in the amount of \$12,463. As of 06/30/2023, the value of the subscription liability is \$8,328. The County is required to make annual fixed payments of \$4,301. The subscription has an interest rate of 2.1840%. The value of the right-to-use asset as of 06/30/2023 is \$12,463 with accumulated amortization of \$4,233.

On 04/30/2023, the County entered into a 60-month subscription for the use of Lease & Subscription Management - DebtBook. An initial subscription liability was recorded in the amount of \$80,170. As of 06/30/2023, the value of the subscription liability is \$67,670. The County is required to make annual fixed payments of \$12,500. The subscription has an interest rate of 2.6820%. The value of the right-to-use asset as of 06/30/2023 is \$80,170 with accumulated amortization of \$2,761.

On 07/01/2022, The County entered into a 22-month subscription for the use of EMS billing software. An initial subscription liability was recorded in the amount of \$568. As of 06/30/2023, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$577. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 is \$568 with accumulated amortization of \$310.

On 07/01/2022, the County entered into a 37-month subscription for the use of BodyCam software. An initial subscription liability was recorded in the amount of \$143,052. As of 06/30/2023, the value of the subscription liability is \$94,506. The County is required to make annual fixed payments of \$48,807. The subscription has an interest rate of 2.1840%. The value of the right-to-use asset as of 06/30/2023 is \$143,052 with accumulated amortization of \$46,395.

On 07/01/2022, the County entered into a 35-month subscription for the use of Enterprise Backup Software. An initial subscription liability was recorded in the amount of \$202,434. As of 06/30/2023, the value of the subscription liability is \$102,164. The County is required to make annual fixed payments of \$104,396. The subscription has an interest rate of 2.1840%. The value of the right-to-use asset as of 06/30/2023 is \$202,434 with accumulated amortization of \$69,013.

On 07/01/2022, the County entered into a 34-month subscription for the use of Transportation bus video system. An initial subscription liability was recorded in the amount of \$3,465. As of 06/30/2023, the value of the subscription liability is \$2,263. The County is required to make monthly fixed payments of \$105. The subscription has an interest rate of 2.1840%. The value of the right-to-use asset as of 06/30/2023 is \$3,665 with accumulated amortization of \$1,294.

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On 09/01/2022, the County entered into an 84-month subscription for the use of Transportation system. An initial subscription liability was recorded in the amount of \$57,501. As of 06/30/2023, the value of the subscription liability is \$48,625. The County is required to make annual fixed payments of \$15,875.00. The subscription has an interest rate of 2.6630%. The value of the right-to-use asset as of 06/30/2023 is \$239,992 with accumulated amortization of \$28,570. The County has 4 extension option(s), each for 12-months.

Governmental Activities			
Fiscal Year	Principal	Interest	Total
2024	\$ 363,461	\$ 32,941	\$ 396,402
2025	275,423	24,266	299,689
2026	224,554	17,476	242,030
2027	236,021	11,734	247,755
2028	226,082	5,701	231,783
2029-2030	8,645	230	8,875
Total	<u>\$ 1,334,186</u>	<u>\$ 92,348</u>	<u>\$ 1,426,534</u>

c. Installment Purchase

Serviced by the General Fund:

On May 10, 2019, County entered into an installment financing agreement in the amount of \$2,000,000 for a Rural Economic Development loan for the purpose of the financing the development of the I-85 Business Park. The term of the loan is eight years at an interest rate of 0%. The principal will be amortized over the seven years of the loan term with the monthly payments of \$20,000 each being due on first of each month. The installment purchase was issued pursuant to a deed of trust that requires that legal title to the property financed remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt.

\$ 1,020,000

Year Ending	General Fund
June 30	Principal
2024	\$ 240,000
2025	240,000
2026	240,000
2027	240,000
2028	60,000
Total	<u>\$ 1,020,000</u>

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The County's outstanding note from direct placement related to the I-85 Business Park of \$1,020,000 is secured by a deed of trust. The borrowing contains a provision that in the event of a default, the note holder may exercise any one or more of the following remedies:

- (a) The holder of the note may exercise the option of treating the remainder of the debt as due and collectible. Failure to exercise this option shall not constitute a waiver of the right to exercise same at any other time.
- (b) Upon the request of the Beneficiary, it shall be lawful for and the duty of the Trustee, to sell the land herein conveyed at public auction for cash, after first giving such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as may then be required by law and giving such notice and advertising the time and place of such sale in such manner as may be provided by law, and upon such and any resales and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the Trustee is empowered.

The Trustee shall be authorized to retain an attorney to represent him in such proceedings. The proceeds of the Sale shall after the Trustee retains his commission, together with reasonable attorney's fees incurred by the Trustee in such proceeding, be applied to the cost of the sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures.

d. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. General obligation bonds are also issued to provide for the acquisition and construction of major sewer capital improvements. These bonds, which are recorded in the Sewer Fund, are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this agreement.

The County's general obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

Serviced by the General Fund:

\$39,525,000 2016 Series Advance Refunding Bonds due in annual principal installments on June 1 in increasing amounts ranging from \$45,000 to \$4,085,000 and a final payment of \$2,950,000 on June 1, 2028; interest payments due December 1 and June 1 of each year at interest rates ranging from 2.00% to 5.00%.

\$ 18,575,000

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Serviced by the Sewer Fund:

\$525,000 2016 Series Advance Refunding Bonds due in annual principal installments on June 1 ranging from \$45,000 to \$50,000 and a final payment of \$155,000 on June 1, 2028; interest payments due December 1 and June 1 each year at interest rates ranging from 4.00% to 5.00%.

\$ 335,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	General Fund		Sewer Fund		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,880,000	\$ 857,700	\$ 45,000	\$ 13,850	\$ 3,925,000	\$ 871,550
2025	3,855,000	685,250	45,000	11,900	3,900,000	697,150
2026	3,850,000	492,500	45,000	9,650	3,895,000	502,150
2027	4,040,000	300,000	45,000	7,400	4,085,000	307,400
2028	2,950,000	98,000	155,000	5,150	3,105,000	103,150
Total	<u>\$ 18,575,000</u>	<u>\$ 2,433,450</u>	<u>\$ 335,000</u>	<u>\$ 47,950</u>	<u>\$ 18,910,000</u>	<u>\$ 2,481,400</u>

e. Direct Placement Certificates of Participation

On May 15, 2013, the County issued Refunding Certificates of Participation in the amount of \$9,080,000 pursuant to an installment purchase contract between Davidson County Public Facilities Corporation and the County for constructing and equipping elementary schools, constructing sewer improvements, and acquiring a hangar at Davidson County Airport. Deeds of trust on real property and buildings secure the certificates. The final principal installment is due on June 1; interest is payable on June 1 and December 1 at an interest rate of 1.98%.

\$ 775,000

Certificates of participation debt service requirements to maturity are as follows:

Year Ending June 30	General Fund	
	Principal	Interest
2024	<u>\$ 775,000</u>	<u>\$ 15,345</u>

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The County's outstanding note from direct placement related to constructing and equipping elementary schools, constructing sewer improvements, and acquiring a hangar at the Davidson County Airport of \$775,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may exercise any one or more of the following remedies:

- (a) Declare the unpaid portion of the principal components of installment payments 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 or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust including, without limitation, to the
- (d) extent permitted by law, re-enter and take possession of the project without any court order or other process of law and without liability for entering the premises 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, toward the balance due under the contract and thereafter, shall pay any remaining proceeds to the County.

f. Direct Placement Qualified School Construction Bonds

On December 16, 2009, the County issued \$5,076,971 in Qualified School Construction Bonds to finance the renovation of certain qualifying school facilities. These bonds qualify as "Qualified School Construction" under Section 54F of the Internal Revenue Code. The interest rate charged is 2.11%, but the creditor also receives federal tax credits in lieu of receiving interest payments from the issuer. The principal and interest are payable annually on December 16, beginning December 16, 2010.

\$ 676,926

On June 2, 2011, the County issued \$13,050,000 in Qualified School Construction Bonds to finance the construction of a new middle school facility. These bonds qualify as "Qualified School Construction" under Section 54F of the Internal Revenue Code. The interest rate charged is 5.50%. The County will receive a federal tax subsidy of 5.07% from the U.S. Treasury. The principal of \$13,050,000 is payable in full on June 1, 2026; however, beginning June 1, 2012, the County is required to make annual sinking fund deposits to a restricted escrow account in the amount of \$870,000 to fully fund the retirement of these bonds at maturity. Interest is payable annually on June 1 and December 1, beginning December 1, 2011.

13,050,000

Total General Fund

\$ 13,726,926

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f. Direct Placement Qualified School Construction Bonds (Continued)

The Qualified School Construction Bond debt service requirements to maturity are as follows:

Year Ending	General Fund	
	Principal	Interest
June 30		
2024	\$ 338,465	\$ 732,033
2025	338,461	724,893
2026	13,050,000	717,750
Total	<u>\$ 13,726,926</u>	<u>\$ 2,174,676</u>

The County's outstanding Qualified School Construction Bond from direct placement related to the renovation of certain qualifying school facilities of \$676,926 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may exercise any one or more of the following remedies:

- (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 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 agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding Qualified School Construction Bond of direct placement related to the construction of a new middle school of \$13,050,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may exercise any one or more of the following remedies:

- (a) Declare the unpaid portion of the principal and interest components of installment payments 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 or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust including, without limitation, to the extent permitted by law, re-enter and take possession of the premises without any court order or other process of law and without liability for entering the premises and sell,

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- (d) lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply 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, toward the balance due under the contract and, thereafter, shall pay any remaining proceeds to the County.

g. Direct Placement Limited Obligation Bonds

Serviced by the General Fund:

Serviced by the General Fund:

On February 4, 2016, the County issued Limited Obligation Bonds in the amount of \$43,455,000 pursuant to an installment purchase contract between Davidson County Public Facilities Corporation and the County for the construction of a new Sheriff's office facility and High School. The bonds are secured by a deed of trust on the High School. Principal installments are due annually June 1 graduated installments ranging from \$2,170,000 to \$2,175,000 through 2036; interest is payable on June 1 and December 1 of each year rates ranging from 3.00% to 5.00%.

\$ 28,235,000

On January 30, 2020, the County issued Limited Obligation Bonds in the amount of \$25,480,000 pursuant to an installment purchase contract between Davidson County Public Facilities Corporation and the County for the renovation and addition to the existing County courthouse and improvements to public school facilities. The bonds are secured by a deed of trust on the County courthouse. Principal installments are due annually June 1 graduated installments ranging from \$1,335,000 to \$1,345,000 through 2040; interest is payable on June 1 and December 1 of each year rates ranging from 4.00% to 5.00%.

22,790,000

Total General Fund

51,025,000

Serviced by the Sewer Fund:

On February 4, 2016, the County issued Limited Obligation Bonds in the amount of \$6,385,000 pursuant to an installment purchase contract between Davidson County Public Facilities Corporation and the County for refunding of a 2008 issue for the construction of sewer lines. Principal installments are due annually June 1 graduated installments ranging from \$260,000 to \$630,000 and a final payment of 265,000 on June 1, 2029; interest is payable on June 1 and December 1 of each year rates ranging from 3.00% to 5.00%.

3,120,000

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On June 2, 2011, the County issued Limited Obligation Bonds in the amount of \$2,000,000 pursuant to an installment purchase contract between Davidson County Public Facilities Corporation and the County for the construction of a sewer line to service Davidson County school facilities. The bonds are secured by a deed of trust on the jail/courthouse facilities. Principal installments are due annually June 1 graduated installments ranging from \$130,000 to \$135,000 through 2026; interest is payable on June 1 and December 1 of each year rates ranging from 2.00% to 4.625%.

	390,000
Total Sewer Fund	3,510,000
Total	<u>\$ 54,535,000</u>

The Limited Obligation Bond debt service requirements to maturity are as follows:

Year Ending June 30	General Fund		Sewer Fund		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,515,000	\$ 2,304,600	\$ 645,000	\$ 173,225	\$ 4,160,000	\$ 2,477,825
2025	3,510,000	2,128,850	670,000	142,113	4,180,000	2,270,963
2026	3,520,000	1,953,350	700,000	106,256	4,220,000	2,059,606
2027	3,510,000	1,777,350	600,000	74,750	4,110,000	1,852,100
2028	3,515,000	6,271,500	630,000	44,750	4,145,000	6,316,250
2029-2033	17,560,000	2,339,850	265,000	13,250	17,825,000	2,353,100
2034-2038	13,225,000	5,399,750	-	-	13,225,000	5,399,750
2039-2040	2,670,000	1,770,150	-	-	2,670,000	1,770,150
Total	<u>\$ 51,025,000</u>	<u>\$ 23,945,400</u>	<u>\$ 3,510,000</u>	<u>\$ 554,344</u>	<u>\$ 54,535,000</u>	<u>\$ 24,499,744</u>

The County's outstanding limited obligation bond of direct placement related to a sewer line to serve Davidson County school facilities of \$390,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may exercise any one or more of the following remedies:

- (a) Declare the unpaid portion of the principal and interest components of installment payments 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 or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust including, without limitation, to the extent permitted by law, re-enter and take possession of the premises without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply proceeds of any such sale, lease,

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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, toward the balance due under the contract and, thereafter, shall pay any remaining proceeds to the County.

The County's outstanding limited obligation bond of direct placement related to the construction of a new Sheriff's office facility and High School of \$28,235,000 and construction of sewer lines of \$3,120,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may exercise any one or more of the following remedies:

- (a) Declare the unpaid portion of the principal and interest components of installment payments 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 or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust including, without limitation, to the extent permitted by law, re-enter and take possession of the premises without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply 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, toward the balance due under the contract and, thereafter, shall pay any remaining proceeds to the County.

The County's outstanding limited obligation bond of direct placement related to the renovation and addition to the existing County courthouse and improvements to public school of \$22,790,000 is secured by a deed of trust. This borrowing contains provisions that in the event of a default, the bank may exercise any one or more of the following remedies:

- (a) Declare the unpaid portion of the principal and interest components of installment payments 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 or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust including, without limitation, to the extent permitted by law, re-enter and take possession of the premises without any court order or other process of law and without liability for entering the

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premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply 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, toward the balance due under the contract and, thereafter, shall pay any remaining proceeds to the County.

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Governmental Activities:					
General obligation debt	\$ 22,510,000	\$ -	\$ 3,935,000	\$ 18,575,000	\$ 3,880,000
Unamortized premium	15,522,115	-	1,067,794	14,454,321	1,067,794
Leases	425,325	-	199,518	225,807	153,949
Subscriptions	-	1,698,228	364,042	1,334,186	363,461
Certificates of Participation - Direct Placement	1,575,000	-	800,000	775,000	775,000
Limited obligation bonds - Direct Placement	54,545,000	-	3,520,000	51,025,000	3,515,000
Qualified School Construction Bonds - Direct Placement	14,065,391	-	338,465	13,726,926	338,465
REDLG Loan - Direct Placement	1,260,000	-	240,000	1,020,000	240,000
Total pension liability (LEOSSA)	5,637,591	80,745	-	5,718,336	-
Net pension liability (LGERS)	7,928,755	21,705,101	-	29,633,856	-
Total OPEB liability	18,501,731	-	1,681,973	16,819,758	-
Compensated absences	2,484,769	2,061,967	2,061,157	2,485,579	2,100,000
Total governmental activities	<u>\$ 144,455,677</u>	<u>\$ 25,546,041</u>	<u>\$ 14,207,949</u>	<u>\$ 155,793,769</u>	<u>\$ 12,433,669</u>
Business-Type Activities:					
Landfill					
Accrued landfill closure and postclosure costs	\$ 10,626,976	\$ -	\$ 237,382	\$ 10,389,594	\$ -
Net pension liability (LGERS)	60,820	442,961	-	503,781	-
Total OPEB liability	377,586	-	34,324	343,262	-
Compensated absences	60,116	50,883	48,365	62,634	48,000
Total landfill activities	<u>11,125,498</u>	<u>493,844</u>	<u>320,071</u>	<u>11,299,271</u>	<u>48,000</u>
Sewer					
General obligation debt	380,000	-	45,000	335,000	45,000
Unamortized premium	733,352	-	104,765	628,587	-
Limited obligation bonds - direct placement	4,130,000	-	620,000	3,510,000	645,000
Compensated absences	412	2,061	2,092	381	381
Total Sewer activities	<u>5,243,764</u>	<u>2,061</u>	<u>771,857</u>	<u>4,473,968</u>	<u>690,381</u>
Total business-type activities	<u>\$ 16,369,262</u>	<u>\$ 495,905</u>	<u>\$ 1,091,928</u>	<u>\$ 15,773,239</u>	<u>\$ 738,381</u>

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Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Compensated absences for governmental activities include the Internal Service Fund compensated absences. The General Fund has been used in prior years to net other postemployment liabilities and pension liabilities. At June 30, 2023, Davidson County had a legal debt margin of \$1,359,686,151.

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, only \$33,942,069 relates to assets the County holds.

C. Interfund Balances and Activity

Transfers to/from other funds for the year ended June 30, 2023, consist of the following:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
From General Fund to School Capital Outlay Fund	\$ 4,183,162	School construction projects
From General Fund to Transportation Fund	107,326	Transportation services
From General Fund to Capital Reserve Fund	22,923,845	Future capital improvements
From General Fund to County Capital Projects Fund	156,290	Capital improvement projects
From General Fund to EF Sewer Fund	884,525	Debt service
From ARP Fund to General Fund	33,469,928	Revenue replacement
From Capital Reserve Fund to General Fund	2,000,000	Airport Firehouse project
From School Capital Outlay Fund to General Fund	33,000	Category 1 Funds
From E911 Fund to Capital Projects Fund	408,448	PSAP eligible expenditures in other funds
From Capital Reserve Fund to Capital Projects Fund	5,274,349	Capital improvement projects
From Capital Projects Fund to School Capital Outlay Fund	1,100,000	Future capital improvements
From Capital Projects Fund to Capital Reserve Fund	179,909	Transfer County funds back to CRF
	<u>\$ 70,720,782</u>	

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

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Due to/due from consists of the following at June 30, 2023: due to the General Fund from the major Capital Projects Fund of \$1,349,731 for time lag related to when reimbursable expenditures were received. Repayment for this balance will occur in the subsequent year.

D. Other Information

The County transfers funds annually from the general fund to the sewer fund to cover the debt payment in the Sewer Fund. This is due to debt recorded in the sewer fund for general obligation debt and limited obligation bonds. The proceeds are received and recorded in the general fund and then transferred to the sewer fund to make the payment. In the current year the debt service expense is \$884,525 and there is a transfer of \$884,525 to cover payment.

E. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Capital asset, net	\$ 99,891,671	\$ 22,979,327
Less: net long term debt for capital related purposes	(33,360,293)	(4,473,587)
Plus: unspent debt proceeds	<u>751,555</u>	<u>-</u>
Net investment in capital assets	<u>\$ 67,282,933</u>	<u>\$ 18,505,740</u>

F. Fund Balance

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

Remaining Fund Balance	
Total fund balance - General Fund	\$ 160,018,680
Less:	
Long term note receivable	200,000
Leases	4,042
Stabilization by State statute	18,941,356
Appropriated fund balance in 2023 budget	4,965,695
Register of Deeds	508,766
Inspections operations	1,310,529
Sheriff operations	300,441
Health programs	3,171,372
Tax revaluation	10,000
LEO Special Separation Allowance	296,340
Debt service	11,062,920
Working capital / fund balance policy	<u>30,797,226</u>
Remaining fund balance	<u>\$ 88,449,993</u>

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

Davidson County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 18% of budgeted expenditures.

IV. Joint Ventures

The County, in conjunction with the state of North Carolina and the Boards of Education, participates in a joint venture to operate the Davidson County Community College. Each of the three participants appoints four members of the board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County contributed \$3,523,008 and \$426,188 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2023. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Complete financial statements for the community college may be obtained from the Davidson County Community College administrative offices at I-85 and Old Greensboro Road, Lexington, North Carolina 27292.

The County, in conjunction with the Cities of Lexington and Thomasville and the Town of Denton, participates in the Davidson County Economic Development Commission. The County appoints four members, the Cities of Lexington and Thomasville appoint two members each, and the Town of Denton appoints one member to the nine-member board. The Commission is a joint venture established to provide services in order to promote and maintain capital industries in the County, including efforts to establish industrial areas and plans for orderly growth. The County, Cities and Town have an ongoing financial responsibility for the Commission's operating cost. The County contributed \$248,000 to the Commission during the fiscal year ended June 30, 2023. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023.

Complete financial statements for the Davidson County Economic Development Commission can be obtained from the Commission's administrative office at P.O. Box 2013, Lexington, North Carolina 27293.

Lexington City Board of Education is composed of seven members elected on a nonpartisan plurality basis in odd-numbered years. Taxing authority falls under the Davidson County Commissioners. For the year ended June 30, 2023, tax was levied at a rate of \$.12 per one hundred dollars valuation of property. The proceeds of said tax are to be used to supplement school expenditures as permitted by Chapter 115C of the North Carolina General Statutes. Although accountable because of its taxing authority, the County has no equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Complete financial statements for the Lexington Board of Education can be obtained from the Board's administrative offices at 1010 Fair Street, Lexington, North Carolina 27292.

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

The County and the Cities of Lexington and Thomasville participate in the Lake Thom-A-Lex Recreation Authority. This authority, consisting of five members appointed by governmental parties, is responsible for the oversight and promotion of operations related to recreation at Lake Thom-A-Lex. Effective July 1, 2009, the County began maintaining control over the financial records of the operation of the lake. Costs of operation are shared equally between both cities and the County. The County contributed \$4,007 for the operations of the lake during the fiscal year ended June 30, 2023.

The County has no equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Net position remains in the joint venture for future operational needs of the system. Complete financial statements for the Lake Thom-A-Lex Recreation Authority can be obtained from the City of Thomasville administrative offices at 10 Salem Street, Thomasville, North Carolina 27360.

V. Jointly Governed Organization

The County, in conjunction with six other counties and thirty-two municipalities, established the Piedmont Triad Council (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$35,475 to the Council during the fiscal year ended June 30, 2023.

VII. Contingent Liabilities

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

VIII. Restatement

For the year ended June 30, 2023, the financial statements include a prior period adjustment to beginning net position of the governmental activities on the Statement of Activities (full accrual statements) in the amount of \$9,612,462. The adjustment relates to new information on how to account for Opioid Settlement fund receivable and allowance recognition.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

- Schedule of Changes in the OPEB Liability and Related Ratios
- Schedule of County's Proportionate Share of Net Pension Liability (LGERS)
- Schedule of County Contributions (LGERS)
- Schedule of County's Proportionate Share of Net Pension Asset (RODSPF)
- Schedule of County Contributions (RODSPF)
- Schedule of Changes in Total Pension Liability (LEOSSA)
- Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll (LEOSSA)

DAVIDSON COUNTY, NORTH CAROLINA
OPEB PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
Last Six Fiscal Years

	Total OPEB Liability		
	2023	2022	2021
Service cost	\$ 453,959	\$ 526,703	\$ 381,576
Interest	410,914	392,175	544,741
Differences between expected and actual experience	34,410	(1,551,326)	91,349
Changes of assumptions	(1,993,269)	2,772,041	1,811,801
Benefit payments	(622,311)	(952,817)	(633,297)
Net change in total OPEB liability	(1,716,297)	1,186,776	2,196,170
Total OPEB liability - beginning	18,879,317	17,692,541	15,496,371
Total OPEB liability - ending	<u>\$ 17,163,020</u>	<u>\$ 18,879,317</u>	<u>\$ 17,692,541</u>
Covered employee payroll	\$ 13,469,408	\$ 13,469,408	\$ 16,062,249
Total OPEB liability as a percentage of covered employee payroll	127.42%	140.16%	110.15%

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
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

The County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

DAVIDSON COUNTY, NORTH CAROLINA
OPEB PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
Last Six Fiscal Years

	Total OPEB Liability		
	2020	2019	2018
Service cost	\$ 468,672	\$ 486,115	\$ 528,228
Interest	635,042	577,693	500,918
Differences between expected and actual experience	(2,096,709)	70,651	(125,884)
Changes of assumptions	423,300	(498,087)	(868,498)
Benefit payments	(512,957)	(564,435)	(336,442)
Net change in total OPEB liability	(1,082,652)	71,937	(301,678)
Total OPEB liability - beginning	16,579,023	16,507,086	16,808,764
Total OPEB liability - ending	<u>\$ 15,496,371</u>	<u>\$ 16,579,023</u>	<u>\$ 16,507,086</u>
Covered employee payroll	\$ 16,062,249	\$ 18,791,506	\$ 18,791,506
Total OPEB liability as a percentage of covered employee payroll	96.48%	88.23%	87.84%

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
Local Governmental Employees' Retirement System
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability (asset) (%)	0.53422%	0.52097%	0.54432%	0.54326%	0.54258%
County's proportion of the net pension liability (asset) (\$)	\$ 30,137,637	\$ 7,989,575	\$ 19,450,872	\$ 14,836,007	\$ 12,871,853
County's covered payroll	\$ 41,501,963	\$ 39,872,245	\$ 38,942,063	\$ 37,226,636	\$ 36,553,384
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.617%	20.038%	49.948%	39.853%	35.214%
Plan fiduciary net position as a percentage of total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%

Notes to the Schedule:

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

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

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
Local Governmental Employees' Retirement System
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.55083%	0.57581%	0.5743%	0.5620%	0.5959%
County's proportion of the net pension liability (asset) (\$)	\$ 8,415,157	\$ 12,220,617	\$ 2,577,379	\$ (3,314,375)	\$ 6,821,268
County's covered payroll	\$ 35,473,882	\$ 34,056,401	\$ 33,406,656	\$ 33,064,674	\$ 31,048,726
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.722%	35.88%	7.72%	-10.02%	21.97%
Plan fiduciary net position as a percentage of total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
Local Governmental Employees' Retirement System
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 5,496,305	\$ 4,774,459	\$ 4,108,445	\$ 3,547,880	\$ 2,945,226
Contributions in relation to the contractually required contribution	<u>5,496,305</u>	<u>4,774,459</u>	<u>4,108,445</u>	<u>3,547,880</u>	<u>2,945,226</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 44,717,243	\$ 41,501,963	\$ 39,872,245	\$ 38,942,063	\$ 37,226,636
Contributions as a percentage of covered payroll	12.29%	11.50%	10.30%	9.11%	7.91%

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
Local Governmental Employees' Retirement System
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,813,348	\$ 2,648,093	\$ 2,338,397	\$ 2,377,433	\$ 2,349,496
Contributions in relation to the contractually required contribution	<u>2,813,348</u>	<u>2,648,093</u>	<u>2,338,397</u>	<u>2,377,433</u>	<u>2,349,496</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 36,553,384	\$ 35,473,882	\$ 34,056,401	\$ 33,406,656	\$ 33,064,674
Contributions as a percentage of covered payroll	7.70%	7.46%	6.87%	7.12%	7.11%

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability (asset) (%)	1.54154%	1.60571%	1.32140%	1.19841%	1.32316%
County's proportion of the net pension liability (asset) (\$)	\$ (204,100)	\$ (308,505)	\$ (302,838)	\$ (236,590)	\$ (219,155)
Plan fiduciary net position as a percentage of total pension liability**	139.04%	156.53%	173.62%	164.11%	153.31%

Notes to the Schedule:

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

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

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	1.55941%	1.08700%	1.29100%	1.30600%	1.70700%
County's proportion of the net pension liability (asset) (\$)	\$ (266,176)	\$ (203,261)	\$ (299,144)	\$ (295,954)	\$ (364,637)
Plan fiduciary net position as a percentage of total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 14,511	\$ 17,672	\$ 17,927	\$ 13,996	\$ 11,391
Contributions in relation to the contractually required contribution	<u>14,511</u>	<u>17,672</u>	<u>17,927</u>	<u>13,996</u>	<u>11,391</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 11,323	\$ 11,601	\$ 10,830	\$ 10,329	\$ 10,661
Contributions in relation to the contractually required contribution	<u>11,323</u>	<u>11,601</u>	<u>10,830</u>	<u>10,329</u>	<u>10,661</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 5,637,591	\$ 5,702,564	\$ 3,783,637	\$ 3,488,162
Service cost	309,726	279,950	193,179	166,417
Interest on the total pension liability	124,851	108,488	120,749	124,559
Differences between expected and actual experience in the measurement of the total pension liability	855,356	(136,651)	252,846	15,924
Changes of assumptions or other inputs	(1,031,850)	(153,912)	1,511,522	121,000
Benefit payments	<u>(177,338)</u>	<u>(162,848)</u>	<u>(159,369)</u>	<u>(132,425)</u>
Total pension liability, end of year	<u>\$ 5,718,336</u>	<u>\$ 5,637,591</u>	<u>\$ 5,702,564</u>	<u>\$ 3,783,637</u>

Notes to the Schedule:

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

This schedule is intended to show information for ten years.

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

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 3,510,164	\$ 3,290,281	\$ 3,240,922
Service cost	171,187	151,838	167,504
Interest on the total pension liability	108,712	124,237	113,105
Differences between expected and actual experience in the measurement of the total pension liability	(16,063)	(159,919)	-
Changes of assumptions or other inputs	(146,013)	247,128	(85,815)
Benefit payments	<u>(139,825)</u>	<u>(143,401)</u>	<u>(145,435)</u>
Total pension liability, end of year	<u>\$ 3,488,162</u>	<u>\$ 3,510,164</u>	<u>\$ 3,290,281</u>

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED EMPLOYEE PAYROLL
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 5,718,336	\$ 5,637,591	\$ 5,702,564	\$ 3,783,637
Covered employee payroll	7,485,780	6,457,956	6,711,930	6,327,541
Total pension liability as a percentage of covered employee payroll	76.39%	87.30%	84.96%	59.80%

Notes to the Schedule:

The 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.

DAVIDSON COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED EMPLOYEE PAYROLL
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 3,488,162	\$ 3,510,164	\$ 3,290,281
Covered employee payroll	6,056,948	6,110,807	6,205,042
Total pension liability as a percentage of covered employee payroll	57.59%	57.44%	53.03%

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SUPPLEMENTARY INFORMATION

***COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES***

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DAVIDSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - ACTUAL - GENERAL FUND CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
REVENUES				
Taxes	\$ 153,224,281	\$ -	\$ -	\$ 153,224,281
Licenses and permits	3,843,451	-	-	3,843,451
Intergovernmental	24,700,200	-	-	24,700,200
Charges for services	9,216,999	-	-	9,216,999
Interest on investments	5,296,517	-	-	5,296,517
Miscellaneous	953,421	-	-	953,421
Total revenues	<u>197,234,869</u>	<u>-</u>	<u>-</u>	<u>197,234,869</u>
EXPENDITURES				
Current:				
General government	15,567,029	-	-	15,567,029
Human services	29,743,887	-	-	29,743,887
Public safety	40,768,044	-	-	40,768,044
Environmental protection	1,710,337	-	-	1,710,337
Economic and physical development	8,371,908	-	-	8,371,908
Culture and recreation	5,751,505	-	-	5,751,505
Intergovernmental:				
Education	39,823,681	-	-	39,823,681
Debt service:				
Principal	9,386,946	-	-	9,386,946
Interest and fiscal charges	4,302,329	-	-	4,302,329
Total expenditures	<u>155,425,666</u>	<u>-</u>	<u>-</u>	<u>155,425,666</u>
Excess (deficiency) of revenues over expenditures	<u>41,809,203</u>	<u>-</u>	<u>-</u>	<u>41,809,203</u>
OTHER FINANCING SOURCES (USES)				
Subscription liabilities issued	1,637,262	-	-	1,637,262
Transfers from other funds	35,502,928	-	-	35,502,928
Transfers to other funds	(28,255,148)	-	-	(28,255,148)
Total other financing sources (uses)	<u>8,885,042</u>	<u>-</u>	<u>-</u>	<u>8,885,042</u>
Net change in fund balance	50,694,245	-	<u>\$ -</u>	50,694,245
FUND BALANCE				
Beginning of year - July 1	<u>109,314,435</u>	<u>10,000</u>		<u>109,324,435</u>
End of year - June 30	<u>\$ 160,008,680</u>	<u>\$ 10,000</u>		<u>\$ 160,018,680</u>

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes:			
Property taxes	\$ 61,287,637	\$ 97,284,354	\$ 35,996,717
Tax penalty and interest	650,000	749,674	99,674
Local option sales tax	45,916,863	53,946,520	8,029,657
Other taxes	1,265,944	1,243,733	(22,211)
Total taxes	109,120,444	153,224,281	44,103,837
Licenses and permits	2,031,635	3,843,451	1,811,816
Intergovernmental	25,838,542	24,700,200	(1,138,342)
Charges for services	9,873,181	9,216,999	(656,182)
Interest on investments	50,000	5,296,517	5,246,517
Miscellaneous	976,581	953,421	(23,160)
Total revenues	147,890,383	197,234,869	49,344,486
EXPENDITURES			
Current:			
General government:			
County commissioners	400,210	392,877	7,333
County manager	762,222	722,037	40,185
Legal	891,867	886,210	5,657
Human Resources	1,532,723	1,539,284	(6,561)
Finance	1,035,740	1,117,670	(81,930)
Purchasing	464,868	453,454	11,414
Tax Assessor and Collector	3,004,099	2,982,223	21,876
Board of Elections	825,960	770,905	55,055
Register of Deeds	661,748	649,831	11,917
State agencies	233,839	244,498	(10,659)
Public works and services	4,807,431	3,899,801	907,630
Information Technology	1,738,714	1,908,239	(169,525)
Contingency	1,054	-	1,054
Total general government	16,360,475	15,567,029	793,446
Human services:			
Health	9,959,713	8,853,390	1,106,323
Mental health	786,844	786,840	4
Social services	14,870,941	13,519,331	1,351,610
Public assistance	5,104,759	2,887,250	2,217,509
Senior services	3,196,945	2,809,911	387,034
Veterans services	285,577	246,227	39,350
Contributions	407,856	640,938	(233,082)
Total human services	34,612,635	29,743,887	4,868,748

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual Amounts	Variance Positive (Negative)
Public safety:			
Sheriff	16,620,790	15,249,436	1,371,354
School resource officers	1,437,971	1,362,248	75,723
Jail	6,746,438	6,635,663	110,775
Emergency communications	3,404,452	4,326,348	(921,896)
Inspections	1,613,227	1,372,786	240,441
Animal shelter	737,678	722,661	15,017
Medical examiner	255,000	182,900	72,100
Emergency Management	246,498	222,690	23,808
Fire Marshal	489,376	491,099	(1,723)
Ambulance	10,399,756	9,698,766	700,990
Contributions	254,500	503,447	(248,947)
Total public safety	42,205,686	40,768,044	1,437,642
Environmental protection:			
Sanitation	1,482,739	1,432,171	50,568
Soil and water	283,141	278,166	4,975
Total environmental protection	1,765,880	1,710,337	55,543
Economic and physical development:			
Planning	578,603	538,321	40,282
GIS	259,186	253,202	5,984
Cooperative extension	381,412	372,409	9,003
Economic development	6,583,568	6,373,566	210,002
Job Training	1,041,274	834,410	206,864
Total economic and physical development	8,844,043	8,371,908	472,135
Culture and recreation:			
Recreation	1,416,633	1,372,254	44,379
Library	4,017,974	3,957,862	60,112
Museum	244,776	180,755	64,021
Lake Thom-A-Lex	158,021	150,274	7,747
Tourism	90,360	90,360	-
Total culture and recreation	5,927,764	5,751,505	176,259
Intergovernmental:			
Public schools - current	32,933,678	32,933,678	-
Public schools - capital	2,042,926	2,042,926	-
Public schools - fines & forfeitures	600,000	892,881	(292,881)
Public schools - scholarships	50,000	5,000	45,000
Community college - current	3,523,008	3,523,008	-
Community college - capital	426,188	426,188	-
Total intergovernmental	39,575,800	39,823,681	(247,881)

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Debt service:			
Principal	10,256,946	10,256,946	-
Interest and fiscal charges	4,302,329	4,302,329	-
Total debt service	<u>14,559,275</u>	<u>14,559,275</u>	<u>-</u>
 Total expenditures	 <u>163,851,558</u>	 <u>156,295,666</u>	 <u>7,555,892</u>
 Excess (deficiency) of revenues over expenditures	 <u>(15,961,175)</u>	 <u>40,939,203</u>	 <u>56,900,378</u>
 OTHER FINANCING SOURCES (USES)			
Subscription liabilities issued	-	1,637,262	1,637,262
Transfers from other funds	37,112,020	35,502,928	(1,609,092)
Transfers to other funds	<u>(30,005,759)</u>	<u>(28,255,148)</u>	<u>1,750,611</u>
Total other financing sources (uses)	<u>7,106,261</u>	<u>8,885,042</u>	<u>1,778,781</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 <u>(8,854,914)</u>	 <u>49,824,245</u>	 <u>58,679,159</u>
 Fund balance appropriated	 <u>8,854,914</u>	 <u>-</u>	 <u>(8,854,914)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>49,824,245</u>	 <u>\$ 49,824,245</u>
 Fund balance, beginning		109,314,435	
 Reconciliation from Budgetary basis to Modified Accrual basis:			
Debt service payment to sinking fund		<u>870,000</u>	
 Fund balance at end of year		 <u>\$ 160,008,680</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - REVALUATION FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Net change in fund balance	\$ -	\$ -	\$ -
FUND BALANCE			
Fund balance at beginning of year		10,000	
Fund balance at end of year		<u>\$ 10,000</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
OPIOID FUND - MAJOR
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,535,862	\$ 1,619,992	\$ 84,130
Expenditures:			
Opioid expenditures	<u>1,535,862</u>	<u>-</u>	<u>1,535,862</u>
Net change in fund balance	<u>\$ -</u>	1,619,992	<u>\$ 1,619,992</u>
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u>\$ 1,619,992</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
ARP FUND - MAJOR
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Intergovernmental	\$ 32,556,083	\$ -	\$ 32,546,083	\$ 32,546,083	\$ (10,000)
Interest on investments	<u>923,845</u>	<u>28,430</u>	<u>1,218,316</u>	<u>1,246,746</u>	<u>322,901</u>
Total revenues	<u>33,479,928</u>	<u>28,430</u>	<u>33,764,399</u>	<u>33,792,829</u>	<u>312,901</u>
Other Financing Sources (Uses):					
Transfers to other funds	<u>(33,479,928)</u>	<u>-</u>	<u>(33,469,928)</u>	<u>(33,469,928)</u>	<u>10,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 28,430</u>	<u>294,471</u>	<u>\$ 322,901</u>	<u>\$ 322,901</u>
Fund balance at beginning of year			<u>28,430</u>		
Fund balance at end of year			<u>\$ 322,901</u>		

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL RESERVE FUND - MAJOR
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers from other funds	\$ -	\$ 23,103,754	\$ 23,103,754
Transfers to other funds	(7,260,029)	(7,274,349)	14,320
Total other financing sources (uses)	<u>(7,260,029)</u>	<u>15,829,405</u>	<u>23,118,074</u>
 Excess (deficiency) of other financing sources over expenditures	 (7,260,029)	 15,829,405	 23,118,074
 Fund balance appropriated	 <u>7,260,029</u>	 <u>-</u>	 <u>(7,260,029)</u>
 Net change in fund balance	 <u>\$ -</u>	 15,829,405	 <u>\$ 15,829,405</u>
 Fund balance at beginning of year		 <u>43,942,618</u>	
 Fund balance at end of year		 <u>\$ 59,772,023</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL PROJECTS FUND - MAJOR
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Intergovernmental	\$ 27,824,643	\$ 11,970,472	\$ 5,065,870	\$ 17,036,342	\$ (10,788,301)
Interest on investments	-	70,895	-	70,895	70,895
Miscellaneous	750,179	2,139,365	-	2,139,365	1,389,186
Total revenues	28,574,822	14,180,732	5,065,870	19,246,602	(9,328,220)
Expenditures:					
West Davidson Library	414,420	410,654	-	410,654	3,766
Denton Library renovation	1,211,373	1,124,562	-	1,124,562	86,811
Museum renovations	944,439	941,288	-	941,288	3,151
I-85 Business Park	19,833,037	17,771,498	669,809	18,441,307	1,391,730
Old Salisbury Road sewer	457,449	451,121	6,326	457,447	2
Parking deck renovation	319,120	319,120	-	319,120	-
Boones Cave Park renovation	3,363	-	-	-	3,363
Parking lot renovation	537,002	533,002	-	533,002	4,000
Courtroom renovation	142,104	142,104	-	142,104	-
Governmental building renovation	177,637	177,637	-	177,637	-
New EMS Base	214,000	213,651	-	213,651	349
Morton Metalcraft sewer	390,364	332,938	-	332,938	57,426
Human Resources software	50,000	49,654	-	49,654	346
Jail study	258,297	258,431	-	258,431	(134)
Davidson West Campus renovation	215,179	215,179	-	215,179	-
Astran Drive CDBG project	266,576	49,699	-	49,699	216,877
Sheriff's Office building	10,578,095	9,549,246	-	9,549,246	1,028,849
Surface Source CDBG project	400,000	400,000	-	400,000	-
Elite Tube & Fab	750,000	-	-	-	750,000
Thomson Plastics CDBG project	750,000	738,617	-	738,617	11,383
Lolly Wolly Doodle CDBG project	750,000	750,000	-	750,000	-
Wilcox Bridge improvements	2,722,423	2,676,286	-	2,676,286	46,137
Hughes Park improvements	346,700	346,337	-	346,337	363
Southmont Park improvements	107,000	106,129	-	106,129	871
Bombay Park improvements	326,777	324,236	-	324,236	2,541
Courthouse expansion	30,312,694	29,598,906	350,247	29,949,153	363,541
Cecil School roof	496,690	496,312	-	496,312	378
Voting equipment	1,737,221	1,737,221	-	1,737,221	-
Server replacement	683,538	683,538	-	683,538	-
Enterprise Back Up System	313,187	-	313,187	313,187	-
Flood cleanup-Old 109/Cunningham Brick Road	224,200	89,962	-	89,962	134,238
Boone Canoe Trail- Boones Cave Park	100,000	99,997	-	99,997	3
Humane Society building	125,000	125,000	-	125,000	-
Boone Canoe Trail- Hwy 64 access	48,750	48,750	-	48,750	-
Davis Townsend Sewer	248,000	-	-	-	248,000
Thomasville EMS base renovation	702,780	288,503	398,417	686,920	15,860
Yadkin Park project	2,955,100	164,863	328,887	493,750	2,461,350
CAD system replacement	1,728,471	1,209,930	172,847	1,382,777	345,694
Backup 911 equipment	642,316	642,316	-	642,316	-
911 Radio System upgrade	8,388,694	8,388,694	-	8,388,694	-
911 Center expansion	344,505	336,872	-	336,872	7,633
911 Call Center Console Upgrade	422,768	-	173,137	173,137	249,631
Colonial Drive DSS Bldg Renovations	745,930	30,365	542,906	573,271	172,659
Inspections Dept Software-SHI International	119,830	119,830	-	119,830	-
NC Great Grant - Spectrum	10,000	-	-	-	10,000
Wastewater Capacity Purchase for City of Lexington	7,510,000	-	5,000,000	5,000,000	2,510,000
Detention Center	4,072,500	-	2,201,068	2,201,068	1,871,432
South Davidson Athletic Fields Restroom Project	100,000	-	99,500	99,500	500
Abbotts Creek Flood Mitigation	399,437	-	153,681	153,681	245,756
West Campus Community Park	630,000	-	-	-	630,000
Total expenditures	105,226,966	81,942,448	10,410,012	92,352,460	12,874,506

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL PROJECTS FUND - MAJOR
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Excess (deficiency) of revenues over expenditures	<u>(76,652,144)</u>	<u>(67,761,716)</u>	<u>(5,344,142)</u>	<u>(73,105,858)</u>	<u>3,546,286</u>
Other Financing Sources (Uses):					
Debt issued	40,438,555	39,410,000	-	39,410,000	(1,028,555)
Premium on debt issued	6,583,185	6,583,185	-	6,583,185	-
Transfers to other funds	(5,229,793)	(3,949,884)	(1,279,909)	(5,229,793)	-
Transfers from other funds	<u>34,860,197</u>	<u>29,729,253</u>	<u>5,839,087</u>	<u>35,568,340</u>	<u>708,143</u>
Total other financing sources	<u>76,652,144</u>	<u>71,772,554</u>	<u>4,559,178</u>	<u>76,331,732</u>	<u>(320,412)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,010,838</u>	<u>(784,964)</u>	<u>\$ 3,225,874</u>	<u>\$ 3,225,874</u>
Fund balance at beginning of year			<u>4,010,838</u>		
Fund balance at end of year			<u>\$ 3,225,874</u>		

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DAVIDSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds				Total
	Fire Districts	Transportation	Emergency Telephone	Special School Districts	Special Revenue Funds
Assets:					
Cash and investments	\$ 1,276,499	\$ 1,160,442	\$ 314,900	\$ -	\$ 2,751,841
Taxes receivable, net	247,790	-	-	58,077	305,867
Accounts receivable, net	167,085	-	-	22,760	189,845
Due from other governments	-	-	31,122	-	31,122
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 1,691,374</u>	<u>\$ 1,160,442</u>	<u>\$ 346,022</u>	<u>\$ 80,837</u>	<u>\$ 3,278,675</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,630	\$ 70,590	\$ 15,796	\$ 22,760	\$ 112,776
Advances from grantor	-	-	-	-	-
Total liabilities	<u>3,630</u>	<u>70,590</u>	<u>15,796</u>	<u>22,760</u>	<u>112,776</u>
Deferred Inflows of Resources:	<u>247,790</u>	<u>-</u>	<u>-</u>	<u>58,077</u>	<u>305,867</u>
Fund balances:					
Restricted:					
Stabilization by state statute	167,085	-	31,122	-	198,207
Fire protection	1,272,869	-	-	-	1,272,869
Transportation	-	1,089,852	-	-	1,089,852
Public safety	-	-	299,104	-	299,104
Committed:					
School capital outlay	-	-	-	-	-
Total fund balances	<u>1,439,954</u>	<u>1,089,852</u>	<u>330,226</u>	<u>-</u>	<u>2,860,032</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,691,374</u>	<u>\$ 1,160,442</u>	<u>\$ 346,022</u>	<u>\$ 80,837</u>	<u>\$ 3,278,675</u>

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:		
Cash and investments	\$ 9,607,181	\$ 12,359,022
Taxes receivable, net	-	305,867
Accounts receivable, net	-	189,845
Due from other governments	-	31,122
Restricted cash and investments	500,000	500,000
Total assets	<u>\$ 10,107,181</u>	<u>\$ 13,385,856</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	\$ 213,720	\$ 326,496
Advances from grantor	500,000	500,000
Total liabilities	<u>713,720</u>	<u>826,496</u>
Deferred Inflows of Resources:	<u>-</u>	<u>305,867</u>
Fund balances:		
Restricted:		
Stabilization by state statute	-	198,207
Fire protection	-	1,272,869
Transportation	-	1,089,852
Public safety	-	299,104
Committed:		
School capital outlay	9,393,461	9,393,461
Total fund balances	<u>9,393,461</u>	<u>12,253,493</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,107,181</u>	<u>\$ 13,385,856</u>

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds				Total Special Revenue Funds
	Fire Districts	Transportation	Emergency Telephone	Special School Districts	
Revenues:					
Taxes	\$ 13,210,670	\$ -	\$ -	\$ 1,879,956	\$ 15,090,626
Intergovernmental	-	1,496,143	373,466	-	1,869,609
Charges for services	-	17,700	-	-	17,700
Interest on investments	-	-	26,710	-	26,710
Miscellaneous	-	-	85,637	-	85,637
Total revenues	<u>13,210,670</u>	<u>1,513,843</u>	<u>485,813</u>	<u>1,879,956</u>	<u>17,090,282</u>
Expenditures:					
Current:					
Public safety	13,524,582	-	249,642	-	13,774,224
Transportation	-	1,880,752	-	-	1,880,752
Intergovernmental:					
Education	-	-	-	1,879,956	1,879,956
Debt service:					
Principal	-	10,079	-	-	10,079
Interest and fiscal charges	-	57	-	-	57
Total expenditures	<u>13,524,582</u>	<u>1,890,888</u>	<u>249,642</u>	<u>1,879,956</u>	<u>17,545,068</u>
Excess (deficiency) of revenues over expenditures	<u>(313,912)</u>	<u>(377,045)</u>	<u>236,171</u>	<u>-</u>	<u>(454,786)</u>
Other Financing Sources (Uses):					
Subscription liabilities issued	-	243,657	-	-	243,657
Transfers from other funds	-	107,326	-	-	107,326
Transfers to other funds	-	-	(408,448)	-	(408,448)
Total other financing sources (uses)	<u>-</u>	<u>350,983</u>	<u>(408,448)</u>	<u>-</u>	<u>(57,465)</u>
Net change in fund balances	(313,912)	(26,062)	(172,277)	-	(512,251)
Fund balances at beginning of year	<u>1,753,866</u>	<u>1,115,914</u>	<u>502,503</u>	<u>-</u>	<u>3,372,283</u>
Fund balances at end of year	<u>\$ 1,439,954</u>	<u>\$ 1,089,852</u>	<u>\$ 330,226</u>	<u>\$ -</u>	<u>\$ 2,860,032</u>

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Capital Project Fund School Capital Outlay Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:		
Taxes	\$ -	\$ 15,090,626
Intergovernmental	850,000	2,719,609
Charges for services	-	17,700
Interest on investments	247,264	273,974
Miscellaneous	-	85,637
Total revenues	<u>1,097,264</u>	<u>18,187,546</u>
Expenditures:		
Current:		
Public safety	-	13,774,224
Transportation	-	1,880,752
Intergovernmental:		
Education	7,511,987	9,391,943
Debt service:		
Principal	-	10,079
Interest and fiscal charges	-	57
Total expenditures	<u>7,511,987</u>	<u>25,057,055</u>
Excess (deficiency) of revenues over expenditures	<u>(6,414,723)</u>	<u>(6,869,509)</u>
Other Financing Sources (Uses):		
Subscription liabilities issued	-	243,657
Transfers from other funds	5,283,162	5,390,488
Transfers to other funds	(33,000)	(441,448)
Total other financing sources (uses)	<u>5,250,162</u>	<u>5,192,697</u>
Net change in fund balances	(1,164,561)	(1,676,812)
Fund balances at beginning of year	<u>10,558,022</u>	<u>13,930,305</u>
Fund balances at end of year	<u>\$ 9,393,461</u>	<u>\$ 12,253,493</u>

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FIRE DISTRICTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes:			
Property taxes	\$ 13,483,120	\$ 13,156,327	\$ (326,793)
Tax penalty and interest	-	54,343	54,343
Total taxes	13,483,120	13,210,670	(272,450)
Expenditures:			
Public safety	13,483,120	13,524,582	(41,462)
Net change in fund balance	<u>\$ -</u>	(313,912)	<u>\$ (313,912)</u>
Fund balance at beginning of year		1,753,866	
Fund balance at end of year		<u>\$ 1,439,954</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,470,509	\$ 1,496,143	\$ 25,634
Charges for services	<u>15,000</u>	<u>17,700</u>	<u>2,700</u>
Total revenues	<u>1,485,509</u>	<u>1,513,843</u>	<u>28,334</u>
Expenditures:			
Transportation	<u>1,668,163</u>	<u>1,880,752</u>	<u>(212,589)</u>
Debt service:			
Principal	10,079	10,079	-
Interest and fiscal charges	<u>57</u>	<u>57</u>	<u>-</u>
Total debt service	<u>10,136</u>	<u>10,136</u>	<u>-</u>
Total expenditures	<u>1,678,299</u>	<u>1,890,888</u>	<u>(212,589)</u>
Excess (deficiency) of revenues over expenditures	<u>(192,790)</u>	<u>(377,045)</u>	<u>(184,255)</u>
Other Financing Sources (Uses):			
Subscription liabilities issued	-	243,657	243,657
Transfers from other funds	<u>107,326</u>	<u>107,326</u>	<u>-</u>
Total other financing sources (uses)	<u>107,326</u>	<u>350,983</u>	<u>243,657</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(85,464)	(26,062)	59,402
Fund balance appropriated	<u>85,464</u>	<u>-</u>	<u>(85,464)</u>
Net change in fund balance	<u>\$ -</u>	<u>(26,062)</u>	<u>\$ (26,062)</u>
Fund balance at beginning of year		<u>1,115,914</u>	
Fund balance at end of year		<u>\$ 1,089,852</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - EMERGENCY TELEPHONE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 373,466	\$ 373,466	\$ -
Interest on investments	-	26,710	26,710
Miscellaneous revenue	-	85,637	85,637
Total revenues	<u>373,466</u>	<u>485,813</u>	<u>112,347</u>
Expenditures:			
Public safety:			
Phone		39,708	
Software		124,363	
Hardware		58,249	
Training		27,322	
Total expenditures	<u>420,152</u>	<u>249,642</u>	<u>170,510</u>
Excess (deficiency) of revenues over expenditures	(46,686)	236,171	282,857
Other Financing Sources (Uses):			
Transfers to other funds	<u>(408,448)</u>	<u>(408,448)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and financing (uses)	(455,134)	(172,277)	282,857
Fund balance appropriated	<u>455,134</u>	<u>-</u>	<u>(455,134)</u>
Net change in fund balance	<u>\$ -</u>	<u>(172,277)</u>	<u>\$ (172,277)</u>
Fund balance at beginning of year		<u>502,503</u>	
Fund balance at end of year		<u>\$ 330,226</u>	
PSAP Reconciliation:			
Amounts reported in the Emergency Telephone Fund budget to actual above is different from the PSAP Revenue - Expenditure Report because:			
Ending fund balance, reported on budget to actual		\$ 330,226	
FY21 and FY22 ineligible expenditures reported in Emergency Telephone Fund previously		94,459	
Other reconciling differences and rounding		<u>(97)</u>	
Ending balance, PSAP Revenue - Expenditure Report		<u>\$ 424,588</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - SPECIAL SCHOOL DISTRICTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes:			
Property taxes	\$ 1,907,900	\$ 1,869,107	\$ (38,793)
Tax penalty and interest	<u>8,000</u>	<u>10,849</u>	<u>2,849</u>
Total taxes	1,915,900	1,879,956	(35,944)
Expenditures:			
Special School Districts:			
Education	<u>1,915,900</u>	<u>1,879,956</u>	<u>35,944</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year		-	
Fund balance at end of year		<u>\$ -</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
SCHOOL CAPITAL OUTLAY FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 20,394,550	\$ 19,535,456	\$ 850,000	\$ 20,385,456	\$ (9,094)
Public School Building Bond Act of 1996	29,198,056	29,198,056	-	29,198,056	-
	<u>49,592,606</u>	<u>48,733,512</u>	<u>850,000</u>	<u>49,583,512</u>	<u>(9,094)</u>
Interest on investments	3,754,879	5,747,630	247,264	5,994,894	2,240,015
Miscellaneous	<u>10,907,922</u>	<u>10,244,929</u>	<u>-</u>	<u>10,244,929</u>	<u>(662,993)</u>
Total revenues	<u>64,255,407</u>	<u>64,726,071</u>	<u>1,097,264</u>	<u>65,823,335</u>	<u>1,567,928</u>
Expenditures:					
Intergovernmental:					
Education:					
Capital outlay:					
Davidson County School System	237,756,455	231,670,066	4,130,301	235,800,367	1,956,088
Lexington City School System	39,012,236	32,773,797	2,620,006	35,393,803	3,618,433
Thomasville City School System	40,318,911	35,653,829	761,680	36,415,509	3,903,402
Davidson County Community College	8,393,800	7,493,731	-	7,493,731	900,069
Other	<u>1,135,996</u>	<u>822,259</u>	<u>-</u>	<u>822,259</u>	<u>313,737</u>
Total expenditures	<u>326,617,398</u>	<u>308,413,682</u>	<u>7,511,987</u>	<u>315,925,669</u>	<u>10,691,729</u>
Excess (deficiency) of revenues over expenditures	<u>(262,361,991)</u>	<u>(243,687,611)</u>	<u>(6,414,723)</u>	<u>(250,102,334)</u>	<u>12,259,657</u>
Other Financing Sources (Uses):					
Debt issued	149,184,937	145,750,885	-	145,750,885	(3,434,052)
Refunding debt issued	17,136,774	9,080,000	-	9,080,000	(8,056,774)
Payment to refunded bond escrow agent	(17,059,819)	(9,219,209)	-	(9,219,209)	7,840,610
Premium on debt issued	6,891,469	7,449,868	-	7,449,868	558,399
Transfers from other funds	111,211,159	106,153,618	5,283,162	111,436,780	225,621
Transfers to other funds	<u>(5,002,529)</u>	<u>(4,969,529)</u>	<u>(33,000)</u>	<u>(5,002,529)</u>	<u>-</u>
Total other financing sources (uses)	<u>262,361,991</u>	<u>254,245,633</u>	<u>5,250,162</u>	<u>259,495,795</u>	<u>(2,866,196)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,558,022</u>	<u>(1,164,561)</u>	<u>\$ 9,393,461</u>	<u>\$ 9,393,461</u>
Fund balance at beginning of year			<u>10,558,022</u>		
Fund balance at end of year			<u>\$ 9,393,461</u>		

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION - BUDGET AND
ACTUAL (NON-GAAP) - LANDFILL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 350,000	\$ 485,230	\$ 135,230
Charges for services	5,375,048	5,324,942	(50,106)
Interest on investments	10,000	942,474	932,474
Miscellaneous	-	44,150	44,150
Total revenues	<u>5,735,048</u>	<u>6,796,796</u>	<u>1,061,748</u>
Expenditures:			
Salaries	1,211,530	1,240,049	(28,519)
Operating	2,020,361	1,663,747	356,614
Capital outlay	4,798,698	440,560	4,358,138
Total expenditures	<u>8,030,589</u>	<u>3,344,356</u>	<u>4,686,233</u>
Excess (deficiency) of revenues over expenditures	(2,295,541)	3,452,440	5,747,981
Appropriated net position	<u>2,295,541</u>	<u>-</u>	<u>(2,295,541)</u>
Excess of revenues and appropriated net position over expenditures and other financing uses	<u>\$ -</u>	<u>3,452,440</u>	<u>\$ 3,452,440</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		435,693	
Depreciation		(960,200)	
Increase in deferred outflows of resources - pensions		153,217	
Decrease in deferred outflows of resources - OPEB		(13,611)	
Increase in net pension liability		(442,961)	
Decrease in deferred inflows of resources - pensions		227,445	
Increase in deferred inflows of resources - OPEB		(12,986)	
Increase in accrued landfill closure and postclosure costs		(237,382)	
Decrease in total OPEB liability		34,324	
Increase in accrued vacation pay		(2,518)	
Total reconciling items		<u>(818,979)</u>	
Change in net position		<u>\$ 2,633,461</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION - BUDGET AND
ACTUAL (NON-GAAP) - SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 716,630	\$ 1,043,754	\$ 327,124
Expenditures;			
Salaries	97,929	96,963	966
Sewer operations	619,301	665,437	(46,136)
Debt service	884,525	884,525	-
Capital outlay	87,000	82,056	4,944
Total expenditures	<u>1,688,755</u>	<u>1,728,981</u>	<u>(40,226)</u>
Excess (deficiency) of revenues over expenditures	(972,125)	(685,227)	286,898
Other Financing Sources (Uses):			
Operating transfers in	<u>906,625</u>	<u>884,525</u>	<u>(22,100)</u>
Excess of revenues and other financing sources (uses) over expenditures	(65,500)	199,298	264,798
Appropriated net position	<u>65,500</u>	<u>-</u>	<u>(65,500)</u>
Excess of revenues, other financing sources (uses), and appropriated net position over expenditures	<u>\$ -</u>	199,298	<u>\$ 199,298</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		82,056	
Depreciation		(378,864)	
Debt principal		665,000	
Change in accrued vacation pay		31	
Capital contribution		5,000,000	
Amortization of premium on refunding bonds issued		<u>104,765</u>	
Total reconciling items		<u>5,472,988</u>	
Change in net position		<u>\$ 5,672,286</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION - BUDGET AND
ACTUAL (NON-GAAP) - SEWER CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Interest on investments	\$ -	\$ 52,157	\$ -	\$ 52,157	\$ (52,157)
Intergovernmental	50,000	50,000	-	50,000	-
Total revenues	50,000	102,157	-	102,157	(52,157)
Expenditures:					
Sewer projects	17,949,166	13,474,098	-	13,474,098	4,475,068
Excess (deficiency) of revenues over expenditures	(17,899,166)	(13,371,941)	-	(13,371,941)	(4,527,225)
Other Financing Sources (Uses):					
Debt issued	14,754,244	13,060,000	-	13,060,000	(1,694,244)
Transfers from other funds	3,776,276	3,799,476	-	3,799,476	23,200
Transfers to other funds	(631,354)	(631,354)	-	(631,354)	-
Total other financing sources	17,899,166	16,228,122	-	16,228,122	(1,671,044)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 2,856,181	\$ -	\$ 2,856,181	\$ 2,856,181

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Garage Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and investments	\$ 246,289	\$ 5,243,002	\$ 5,489,291
Inventory, at cost	87,311	-	87,311
Total current assets	<u>333,600</u>	<u>5,243,002</u>	<u>5,576,602</u>
Noncurrent assets:			
Capital assets:			
Other capital assets, net of depreciation	167,981	-	167,981
Total assets	<u>501,581</u>	<u>5,243,002</u>	<u>5,744,583</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	81,036	965,874	1,046,910
Noncurrent liabilities:			
Accrued vacation benefits	15,554	-	15,554
Total liabilities	<u>96,590</u>	<u>965,874</u>	<u>1,062,464</u>
Net Position:			
Net investment in capital assets	167,981	-	167,981
Unrestricted	<u>237,010</u>	<u>4,277,128</u>	<u>4,514,138</u>
Total net position	<u>\$ 404,991</u>	<u>\$ 4,277,128</u>	<u>\$ 4,682,119</u>

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Garage Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 1,808,249	\$ 18,632,346	\$ 20,440,595
Miscellaneous	12,358	-	12,358
Total revenues	<u>1,820,607</u>	<u>18,632,346</u>	<u>20,452,953</u>
Expenditures			
Salaries	437,426	-	437,426
Operating	1,897,072	18,230,934	20,128,006
Depreciation	31,334	-	31,334
Total expenses	<u>2,365,832</u>	<u>18,230,934</u>	<u>20,596,766</u>
Change in net position	(545,225)	401,412	(143,813)
Total net position, beginning	<u>950,216</u>	<u>3,875,716</u>	<u>4,825,932</u>
Total net position, ending	<u>\$ 404,991</u>	<u>\$ 4,277,128</u>	<u>\$ 4,682,119</u>

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 20

	<u>Garage Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 1,808,249	\$ 18,692,272	\$ 20,500,521
Cash paid for goods and services	(1,857,483)	(18,058,962)	(19,916,445)
Cash paid to employees for services	(435,776)	-	(435,776)
Other operating revenues	12,358	-	12,358
Net cash provided (used) by operating activities	<u>(472,652)</u>	<u>633,310</u>	<u>160,658</u>
 Cash and cash equivalents at beginning of year	 <u>718,941</u>	 <u>4,609,692</u>	 <u>5,328,633</u>
 Cash and cash equivalents at end of year	 <u>\$ 246,289</u>	 <u>\$ 5,243,002</u>	 <u>\$ 5,489,291</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (545,225)	\$ 401,412	\$ (143,813)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	31,334	-	31,334
Change in assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in receivables	-	59,926	59,926
(Increase) decrease in inventory	43,506	-	43,506
Increase (decrease) in accounts payable and accrued liabilities	(3,917)	171,972	168,055
Increase (decrease) in accrued vacation benefits	<u>1,650</u>	<u>-</u>	<u>1,650</u>
Net cash provided (used) by operating activities	<u>\$ (472,652)</u>	<u>\$ 633,310</u>	<u>\$ 160,658</u>

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - FINANCIAL PLAN AND ACTUAL
(NON-GAAP) - INTERNAL SERVICE - GARAGE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Financial Plan</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 2,391,953	\$ 1,808,249	\$ (583,704)
Miscellaneous	16,000	12,358	(3,642)
Total revenues	<u>2,407,953</u>	<u>1,820,607</u>	<u>(587,346)</u>
Expenditures:			
Garage:			
Salaries	410,995	437,426	(26,431)
Operating	<u>2,028,594</u>	<u>1,897,072</u>	<u>131,522</u>
Total expenditures	<u>2,439,589</u>	<u>2,334,498</u>	<u>105,091</u>
Excess (deficiency) of revenues over (under) expenditures	(31,636)	(513,891)	(482,255)
Appropriated net position	<u>31,636</u>	<u>-</u>	<u>(31,636)</u>
Excess of revenues and appropriated net position over expenditures and other financing uses	<u>\$ -</u>	(513,891)	<u>\$ (513,891)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		<u>(31,334)</u>	
Change in net position		<u>\$ (545,225)</u>	

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - FINANCIAL PLAN AND ACTUAL
(NON-GAAP) - INTERNAL SERVICE - INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Financial Plan</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 16,091,398	\$ 18,632,346	\$ 2,540,948
Expenditures:			
Insurance:			
Operating	<u>16,091,398</u>	<u>18,230,934</u>	<u>(2,139,536)</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>401,412</u>	<u>\$ 401,412</u>
Change in net position		<u>\$ 401,412</u>	

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	Property Tax Fund	Jail Inmate Fund	Sheriff Execution Fund	Sheriff Evidence Fund	Bid Bond Deposit Fund	Total
Assets:						
Cash and cash equivalents	\$ 1,074,957	\$ 26,980	\$ 8,569	\$ 269,526	\$ 16,865	\$ 1,396,897
Taxes receivable for other governments, net	<u>1,447,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,447,817</u>
Total assets	<u>2,522,774</u>	<u>26,980</u>	<u>8,569</u>	<u>269,526</u>	<u>16,865</u>	<u>2,844,714</u>
Liabilities:						
Accounts payable and accrued liabilities	456,356	-	-	2,077	-	458,433
Due to other governments	<u>1,411,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,411,498</u>
Total liabilities	<u>1,867,854</u>	<u>-</u>	<u>-</u>	<u>2,077</u>	<u>-</u>	<u>1,869,931</u>
Net Position:						
Restricted for:						
Individuals, organizations, and other governments	<u>\$ 654,920</u>	<u>\$ 26,980</u>	<u>\$ 8,569</u>	<u>\$ 267,449</u>	<u>\$ 16,865</u>	<u>\$ 974,783</u>

DAVIDSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Property Tax Fund	Jail Inmate Fund	Sheriff Execution Fund	Sheriff Evidence Fund	Bid Bond Deposit Fund	Total
Additions:						
Ad valorem taxes for other governments	\$ 146,539,970	\$ -	\$ -	\$ -	\$ -	\$ 146,539,970
Collections on behalf of inmates	-	655,740	-	-	-	655,740
Collections of evidence on behalf of the courts	-	-	-	151,994	-	151,994
Collections of execution orders on behalf of creditors	-	-	162,332	-	-	162,332
Total additions	<u>146,539,970</u>	<u>655,740</u>	<u>162,332</u>	<u>151,994</u>	<u>-</u>	<u>147,510,036</u>
Deductions:						
Tax distributions to other governments	146,465,213	-	-	-	-	146,465,213
Payments on behalf of inmates	-	673,707	-	-	-	673,707
Payments on behalf of the courts	-	-	-	88,099	-	88,099
Payments on behalf of creditors	-	-	160,780	-	-	160,780
Total deductions	<u>146,465,213</u>	<u>673,707</u>	<u>160,780</u>	<u>88,099</u>	<u>-</u>	<u>147,387,799</u>
Net decrease in fiduciary net position	74,757	(17,967)	1,552	63,895	-	122,237
Net position, beginning	<u>580,163</u>	<u>44,947</u>	<u>7,017</u>	<u>203,554</u>	<u>16,865</u>	<u>852,546</u>
Net position, ending	<u>\$ 654,920</u>	<u>\$ 26,980</u>	<u>\$ 8,569</u>	<u>\$ 267,449</u>	<u>\$ 16,865</u>	<u>\$ 974,783</u>

DAVIDSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2023

Fiscal Year	Uncollected Balance July 1, 2022	Additions	Collections And Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 97,067,728	\$ 95,227,002	\$ 1,840,726
2021-2022	2,137,092	-	1,209,181	927,911
2020-2021	847,813	-	306,015	541,798
2019-2020	546,038	-	151,601	394,437
2018-2019	511,466	-	148,806	362,660
2017-2018	366,436	-	90,152	276,284
2016-2017	243,432	-	71,166	172,266
2015-2016	179,280	-	48,707	130,573
2014-2015	149,833	-	41,524	108,309
2013-2014	240,406	-	29,816	210,590
2012-2013	276,881	-	25,421	251,460
	<u>\$ 5,498,677</u>	<u>\$ 97,067,728</u>	<u>\$ 97,349,391</u>	<u>5,217,014</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>4,835,649</u>
Ad valorem taxes receivable- net:				
General Fund				<u>\$ 381,365</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 97,284,354
Penalties collected on ad valorem taxes- General Fund				41,526
Interest collected on ad valorem taxes- General Fund				749,674
Reconciling items:				
Penalties and interest collected				(791,200)
Discounts allowed				913,185
Taxes written off				(848,148)
Total reconciling items				<u>(726,163)</u>
Total collections and credits				<u>\$ 97,349,391</u>

DAVIDSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 26

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 17,572,337,544	\$ 0.54	\$ 94,890,623	\$ 84,419,759	\$ 10,470,864
Penalties	-		41,976	41,976	-
Total	<u>17,572,337,544</u>		<u>94,932,599</u>	<u>84,461,735</u>	<u>10,470,864</u>
Discoveries:					
Current year taxes	606,941,157	0.54	3,277,482	3,275,362	2,120
Penalties	-		8,031	8,031	-
Total	<u>606,941,157</u>		<u>3,285,513</u>	<u>3,283,393</u>	<u>2,120</u>
Releases and discounts	<u>(51,615,326)</u>		<u>(1,150,384)</u>	<u>(1,150,384)</u>	<u>-</u>
Total property valuation	<u>\$ 18,127,663,375</u>				
Net Levy			97,067,728	86,594,744	10,472,984
Uncollected taxes at June 30, 2023			<u>1,840,726</u>	<u>1,840,726</u>	<u>-</u>
Current year's taxes collected			<u>\$ 95,227,002</u>	<u>\$ 84,754,018</u>	<u>\$ 10,472,984</u>
Current Levy Collection Percentage			<u>98.10%</u>	<u>97.87%</u>	<u>100.00%</u>

STATISTICAL SECTION

This part of Davidson County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends - Tables 1, 11-13

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

Revenue Capacity – Tables 2-5, 16

These schedules contain information to help the reader assess the factors affecting the County's ability to generate property taxes.

Debt Capacity – Tables 6-9, 14

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

Demographic and Economic Information – Tables 10, 15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – Tables 17-19

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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DAVIDSON COUNTY, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Taxes:										
Property	\$ 113,124,654	\$ 109,351,712	\$ 95,528,610	\$ 91,690,073	\$ 89,706,974	\$ 86,946,066	\$ 85,288,826	\$ 83,807,209	\$ 83,326,408	\$ 83,425,629
Sales	53,946,520	48,191,952	42,536,420	36,561,325	33,394,652	30,179,230	28,948,404	24,297,053	22,084,870	18,402,633
Other	1,243,733	1,235,368	1,280,118	1,434,457	2,029,066	2,028,440	1,695,436	1,557,866	1,561,609	1,586,357
Total taxes	168,314,907	158,779,032	139,345,148	129,685,855	125,130,692	119,153,736	115,932,666	109,662,128	106,972,887	103,414,619
Licenses and permits	3,843,451	3,669,728	2,900,739	2,458,923	2,277,004	1,969,475	1,871,569	1,749,285	1,782,533	1,616,029
Intergovernmental	66,651,754	24,112,391	31,069,144	24,802,026	24,658,886	24,508,244	26,423,195	27,318,416	27,154,545	28,421,008
Charges for services	9,234,699	9,152,939	8,633,598	8,064,423	7,768,148	7,639,376	8,325,743	7,871,865	7,026,361	7,779,388
Interest on investments	6,788,807	(103,330)	92,071	1,739,251	2,172,893	1,063,803	512,871	419,838	307,954	316,229
Miscellaneous	1,039,058	1,971,824	1,058,703	272,237	4,017,599	1,278,401	1,472,424	1,994,306	1,311,808	4,078,647
Total revenues	255,872,676	197,582,584	183,099,403	167,022,715	166,025,222	155,653,035	154,538,468	149,015,838	144,556,088	145,625,920
Current:										
General government	15,567,029	15,205,432	13,960,762	13,240,943	12,881,118	12,782,241	12,919,812	12,120,665	11,786,828	11,420,647
Human services	29,743,887	28,615,913	27,955,971	28,687,011	27,149,122	26,588,059	31,835,789	31,861,201	31,231,497	30,332,397
Public safety	54,542,288	48,576,906	46,416,432	42,370,414	40,312,829	37,163,043	36,071,569	34,116,669	32,928,019	32,808,556
Environmental protection	1,710,337	1,587,951	1,402,439	1,512,571	1,316,524	1,351,529	1,584,244	1,388,599	1,275,458	1,372,998
Economic and physical development	8,371,908	7,602,250	4,211,616	2,957,993	3,681,710	3,431,508	2,945,272	3,274,105	3,085,366	3,499,050
Culture and recreation	5,751,505	5,134,492	4,908,177	4,615,118	4,501,942	4,309,250	4,327,772	4,069,309	3,919,950	3,848,852
Transportation	1,880,752	1,482,438	1,494,473	1,165,811	1,082,143	1,050,950	821,032	756,840	882,718	1,490,487
Intergovernmental:										
Education	49,215,624	44,119,643	44,105,793	42,905,159	43,011,832	48,892,280	67,942,556	56,368,424	40,468,138	38,622,558
Capital outlay	10,410,012	6,727,331	15,026,250	20,398,008	12,362,371	5,569,820	1,815,427	1,374,518	13,011,128	1,992,053
Debt service:										
Principal	9,397,025	9,092,764	7,653,465	7,718,465	14,668,465	7,743,465	7,933,465	6,193,465	7,218,465	6,163,465
Interest and fiscal charges	4,302,386	4,659,186	4,902,608	4,401,960	4,419,534	4,725,408	4,881,757	7,139,113	3,642,924	3,852,226
Total expenditures	190,892,733	172,804,306	172,037,986	169,973,453	165,387,590	153,607,553	173,078,695	158,662,908	149,450,491	135,403,289
Other financing sources (uses)										
Transfers in	69,836,257	40,637,722	22,927,231	11,143,938	20,132,156	7,499,524	9,640,908	8,482,050	11,080,659	9,652,509
Transfers out	(70,720,782)	(41,538,672)	(23,860,331)	(11,850,809)	(21,526,492)	(8,390,556)	(11,250,852)	(8,969,768)	(12,096,702)	(10,754,131)
Debt issued	1,880,919	629,624	-	25,480,000	2,000,000	-	7,000,000	43,455,000	-	-
Premium on debt issued	-	-	-	5,953,484	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	14,187,278	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	39,525,000	-	-
Special item	-	-	-	-	5,351,852	-	-	(43,710,000)	-	-
Total other financing sources (uses)	996,394	(271,326)	(933,100)	30,726,613	5,957,516	(891,032)	5,390,056	52,969,560	(1,016,043)	(1,101,622)
Net change in fund balances	\$ 65,976,337	\$ 24,506,952	\$ 10,128,317	\$ 27,775,875	\$ 6,595,148	\$ 1,134,450	\$ (13,150,171)	\$ 43,322,490	\$ (5,910,446)	\$ 9,121,009
Debt service as a percentage of noncapital expenditures	7.4%	8.2%	8.1%	8.3%	12.7%	8.5%	7.6%	9.0%	8.0%	7.5%

DAVIDSON COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 2

Year Ended June 30,	Total Tax Levy	Less Discounts and Releases	Adjusted Net Levy	Collections of Current Year's Taxes During Fiscal Year (1)	Percentage of Levy Collected During Fiscal Year	Total Collections on Prior Year's Taxes	Percentage of Total Tax Collections to Adjusted Net Levy	Total Collections	Accumulated Total Delinquent Taxes	Ratio of Total Delinquent Taxes to Current Tax Levy
2014	74,395,585	781,957	73,613,628	70,861,962	96.26%	2,171,076	99.21%	73,033,038	7,297,922	9.91%
2015	73,166,179	718,881	72,447,298	70,400,546	97.17%	2,402,737	100.49%	72,803,283	7,465,189	10.30%
2016	74,117,317	790,896	73,326,421	71,166,409	97.05%	2,339,913	100.25%	73,506,322	6,953,565	9.48%
2017	75,164,122	771,071	74,393,051	72,182,872	97.03%	2,284,436	100.10%	74,467,308	6,599,570	8.87%
2018	76,121,109	759,010	75,362,099	73,174,602	97.10%	2,418,673	100.31%	75,593,275	6,126,520	8.13%
2019	78,411,196	1,189,542	77,221,654	75,084,946	97.23%	3,676,184	101.99%	78,761,130	5,072,916	6.57%
2020	79,930,624	910,489	79,020,135	77,025,360	97.48%	2,367,147	100.47%	79,392,507	4,262,998	5.39%
2021	83,840,451	1,738,674	82,101,777	80,366,264	97.89%	2,147,623	100.50%	82,513,887	4,039,588	4.92%
2022	93,438,801	1,135,113	94,573,914	92,436,822	97.74%	2,160,227	100.02%	94,597,049	3,614,875	3.82%
2023	95,917,344	1,150,384	97,067,728	95,227,002	98.10%	2,122,389	100.29%	97,349,391	3,376,288	3.48%

(1) Collections do not include interest.

DAVIDSON COUNTY, NORTH CAROLINA
ASSESSED VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Year Ended June 30,	Assessed Value					Total	Total Direct Tax Rate
	Real Property (1)	Individual Personal (2)	Business Personal (1)	Motor Vehicles (2)	Public Service Companies (3)		
2014	11,010,529,658	53,991,982	733,189,369	1,548,177,407	382,637,062	13,728,525,478	0.54
2015	11,075,289,751	56,349,740	748,646,544	1,262,548,519	375,103,408	13,517,937,962	0.54
2016	10,985,234,859	59,984,166	796,932,495	1,319,261,111	417,554,221	13,578,966,852	0.54
2017	11,042,109,445	55,254,140	870,213,972	1,385,044,444	414,136,592	13,766,758,593	0.54
2018	11,195,009,577	54,966,057	872,874,586	1,405,318,519	414,485,891	13,942,654,630	0.54
2019	11,434,622,452	64,503,525	894,865,180	1,483,505,926	416,168,658	14,293,665,741	0.54
2020	11,644,711,132	71,297,183	976,934,363	1,500,607,407	428,239,056	14,621,789,141	0.54
2021	12,067,326,051	87,752,273	977,018,282	1,735,053,889	458,190,477	15,325,340,972	0.54
2022	14,071,996,766	103,117,156	1,185,847,298	1,810,221,971	479,008,294	17,650,191,485	0.54
2023	14,383,002,411	106,286,521	1,222,294,995	1,940,035,901	476,043,548	18,127,663,376	0.54

Notes: (1) Assessed value of taxable property approximates market value except for real property assessed values after the year ended June 30, 2002 which is based on market value as of January 1, 2001 (the County's last reappraisal). The assessed value of taxable property for business

(2) Assessed value of taxable property on registered motor vehicles is shown due to a state law change, as of January 1, 1993, which altered the procedures for the assessment of property taxes on registered motor vehicles in North Carolina and excluded the assessed value on registered motor vehicles from individual personal.

(3) Public service companies' property includes real and personal property of utilities, railroads, telephone and pipeline, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

Table 4

DAVIDSON COUNTY, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
TAX RATES PER \$100 VALUATION
Last Ten Fiscal Years

June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015 (1)	2014
County direct rate:										
General-operating	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540	\$ 0.540
City of Lexington	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.600	0.600	0.600
Lexington Special Schools District	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120
Lexington Main Street District	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
City of Thomasville	0.620	0.620	0.600	0.600	0.600	0.600	0.560	0.560	0.560	0.560
Thomasville Special Schools District	0.195	0.195	0.195	0.200	0.200	0.180	0.180	0.180	0.180	0.180
Town of Denton	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.550	0.550	0.550
City of High Point	0.6175	0.6475	0.6475	0.6475	0.6475	0.6475	0.6475	0.650	0.664	0.675
Town of Wallburg	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Town of Midway	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Fire Protection Districts:										
Central	0.100	0.100	0.100	0.090	0.090	0.090	0.090	0.070	0.070	0.070
Pilot	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Hasty	0.100	0.100	0.100	0.100	0.100	0.080	0.080	0.080	0.070	0.070
West Lexington	0.120	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Wallburg	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Holly Grove	0.100	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
North Lexington	0.130	0.130	0.130	0.130	0.110	0.110	0.110	0.110	0.110	0.110
Welcome	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.100	0.100
Reeds	0.060	0.060	0.060	0.060	0.040	0.040	0.040	0.040	0.040	0.040
Tyro	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Linwood	0.100	0.100	0.100	0.100	0.100	0.090	0.085	0.085	0.085	0.075
Churchland	0.090	0.090	0.090	0.090	0.090	0.090	0.070	0.070	0.070	0.070
Arcadia - Reedy Creek - Hampton	0.100	0.100	0.100	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Healing Springs	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Southmont	0.130	0.100	0.100	0.100	0.085	0.085	0.085	0.085	0.085	0.085
Fairgrove	0.100	0.100	0.100	0.100	0.100	0.100	0.080	0.080	0.080	0.080
South Lexington	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110
Silver Valley	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110
Midway	0.1077	0.108	0.108	0.108	0.108	0.108	0.108	0.108	0.100	0.100
Gumtree	0.1275	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
South Emmons	0.100	0.100	0.100	0.080	0.060	0.060	0.060	0.060	0.060	0.050
South Davidson	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Hornetown	0.150	0.150	0.150	0.150	0.130	0.130	0.110	0.110	0.110	0.110
Griffith	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Clemmons	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.050	0.050	0.050
Badin	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.060	0.060

Notes: (1) The County's reappraisal was effective as of January 1, 2015.

**DAVIDSON COUNTY, NORTH CAROLINA
ASSESSED PROPERTY VALUES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

Assessed Value	2023 (1)	2022 (1)	2021 (1)(3)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)(2)	2014 (1)
Davidson County	\$ 18,127,663,376	\$ 17,650,191,485	\$ 15,325,340,972	\$ 14,621,780,141	\$ 14,293,665,741	\$ 13,942,654,630	\$ 13,766,758,593	\$ 13,578,866,852	\$ 13,517,937,962	\$ 13,728,525,478
City of Lexington	1,773,792,318	1,774,259,022	1,641,876,626	1,614,466,512	1,566,742,866	1,547,690,175	1,533,123,598	1,519,628,108	1,546,064,567	1,585,300,795
Lexington Special Schools District	1,543,873,300	1,513,795,322	1,363,936,067	1,339,501,150	1,325,324,000	1,299,771,808	1,281,347,117	1,272,862,258	1,309,372,675	1,334,494,099
Lexington Main Street District	38,664,545	43,949,710	45,344,390	45,075,890	49,856,035	50,209,040	50,567,125	47,392,525	47,392,525	48,882,615
City of Thomasville	2,136,643,122	2,019,307,085	1,881,956,707	1,824,726,145	1,800,298,293	1,746,998,452	1,719,559,093	1,719,559,093	1,719,559,093	1,711,250,293
Thomasville Special Schools District	886,691,010	890,004,084	838,630,477	829,187,835	817,168,990	807,214,011	793,505,933	798,274,172	778,390,528	814,743,859
Town of Denton	149,796,063	144,525,156	129,906,218	127,733,287	126,249,662	124,373,007	123,833,632	125,563,340	119,736,702	123,396,626
City of High Point	591,615,565	570,920,711	500,383,949	490,079,622	479,011,155	451,922,687	437,712,161	428,524,528	447,912,474	449,696,165
Town of Walburg	349,978,044	342,466,350	301,830,360	287,818,900	286,567,740	275,366,180	268,825,320	266,498,760	267,107,600	257,510,607
Town of Midway	423,180,502	414,712,985	386,455,920	376,946,360	376,560,380	372,504,140	368,133,720	363,781,840	351,873,300	361,575,547
Fire Protection Districts:										
Central	458,093,015	446,412,116	394,329,280	384,292,556	381,956,400	371,723,556	365,127,067	364,670,600	364,672,943	373,291,425
Pilot	400,229,480	392,608,717	373,943,282	365,870,788	360,057,176	354,094,953	351,831,306	347,315,882	329,829,776	338,024,345
Hasty	641,672,685	625,752,960	581,254,270	561,822,390	550,714,510	542,249,150	535,777,775	529,555,425	525,507,229	536,477,107
West Lexington	372,079,703	340,859,646	296,184,610	284,789,950	274,645,690	267,236,770	263,962,250	257,654,900	258,540,720	264,217,938
Walburg	1,019,894,938	990,654,708	912,659,720	860,631,240	846,679,710	819,692,200	800,964,870	784,766,230	768,312,280	775,697,517
Holly Grove	353,505,994	348,205,269	315,692,588	305,100,438	300,698,150	296,449,600	289,842,738	287,223,400	280,665,588	286,271,486
North Lexington	239,698,599	235,500,559	224,024,015	216,710,231	215,783,918	208,391,545	207,218,291	203,238,373	204,070,927	209,259,497
Welcome	645,555,553	625,106,658	588,756,436	570,394,645	561,235,645	549,661,855	539,687,300	544,187,900	521,800,550	534,173,466
Reeds	612,699,564	601,546,591	554,123,250	519,095,217	511,413,100	499,749,800	491,057,425	483,730,350	483,364,150	496,052,283
Tyro	542,842,118	528,296,992	472,795,275	451,444,925	444,844,388	432,262,163	428,230,123	419,757,738	416,728,938	423,107,162
Linwood	730,798,338	710,150,694	463,775,460	373,663,160	341,092,380	330,754,311	335,197,941	333,268,412	327,640,059	326,167,791
Churchland	319,057,333	305,187,761	288,306,522	274,458,311	278,200,011	272,411,267	268,698,357	264,907,900	264,800,214	269,204,478
Arcadia - Reedy Creek - Hampton	1,344,746,817	1,286,123,671	1,117,598,450	1,078,087,600	1,046,627,525	1,003,939,588	982,069,975	970,328,175	955,146,963	970,257,096
Healing Springs	361,458,558	382,993,160	359,951,456	340,393,189	331,876,622	325,904,444	323,001,233	318,304,589	321,200,378	326,283,414
Southmont	1,042,096,380	997,857,920	897,718,350	869,451,760	856,387,082	834,158,929	826,755,188	818,630,541	790,498,106	801,462,631
Fairgrove	531,772,542	519,169,447	481,657,790	464,878,750	456,457,140	445,081,130	432,795,688	427,165,013	422,249,450	430,049,187
South Lexington	300,489,156	289,720,554	263,791,400	256,289,145	250,066,218	244,874,364	243,805,518	241,924,355	190,945,091	205,347,722
Silver Valley	470,810,654	458,012,246	424,534,736	411,263,127	402,138,118	392,856,055	385,758,718	382,596,300	372,798,818	379,019,868
Midway	1,085,339,998	1,055,367,614	962,057,874	935,387,075	919,716,890	907,102,943	889,242,953	865,985,283	875,267,840	887,087,782
Guntree	163,504,336	160,941,315	147,208,870	141,663,070	142,141,010	139,029,550	139,215,200	137,034,740	137,403,470	139,229,328
South Emmons	151,226,141	146,465,090	136,035,490	131,386,238	133,752,900	127,777,533	126,105,500	125,520,800	122,565,233	124,455,412
South Davidson	140,499,123	135,531,642	127,084,600	123,771,060	121,347,670	119,023,790	117,298,360	117,769,840	107,769,840	110,438,096
Hornetown	180,441,742	173,943,132	155,527,940	148,464,933	142,658,838	135,008,954	133,457,364	128,269,509	126,878,155	125,937,244
Griffith	450,930,291	430,278,076	359,213,188	338,743,388	329,709,713	313,797,913	304,758,063	293,384,575	286,821,388	290,192,158
Clemmons	192,677,806	179,930,203	146,015,233	135,699,333	127,438,650	124,669,700	115,444,767	109,352,300	100,312,860	98,636,360
Badin	87,211,516	87,554,029	83,407,455	80,535,745	79,524,836	77,810,091	77,113,345	77,366,855	63,234,217	64,326,069

Notes: (1) Excludes the assessed value of taxable property for business personal on manufacturers', retailers' and wholesalers' inventories.

(2) The County's reappraisal was effective as of January 1, 2015.

(3) The County's reappraisal was effective as of January 1, 2021.

Table 6

DAVIDSON COUNTY, NORTH CAROLINA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
Last Ten Fiscal Years

Year Ended June 30,	Population (1)	Assessed Value (000,000's)	Bonded Debt (000's)	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
2014	163,770	13,729	59,380	0.43%	363
2015	164,454	13,519	55,210	0.41%	363
2016	164,622	13,579	46,780	0.35%	284
2017	164,926	13,767	43,010	0.31%	261
2018	166,137	13,943	39,420	0.28%	237
2019	166,614	14,294	35,140	0.25%	211
2020	168,093	14,622	31,005	0.21%	184
2021	169,180	15,325	26,905	0.17%	159
2022	169,180	17,650	22,890	0.13%	135
2023	172,586	18,128	18,910	0.10%	110

Sources:

(1) Most recent annual estimates as certified to the North Carolina Department of Revenue by the Office of State Budget

DAVIDSON COUNTY, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (in thousands)

Year Ended June 30,	Debt Limit	Total net debt applicable to limit	Legal Debt Margin	Ratio of total net debt applicable to limit to the debt limit
2014	1,098,282	98,934	999,348	9.01%
2015	1,081,435	91,107	990,328	8.42%
2016	1,086,317	122,211	964,106	11.25%
2017	1,101,341	113,718	987,623	10.33%
2018	1,115,412	112,399	1,003,013	10.08%
2019	1,143,493	99,200	1,044,357	8.68%
2020	1,169,743	116,287	1,053,456	9.94%
2021	1,226,027	108,004	1,118,023	8.81%
2022	1,412,015	98,465	1,313,550	6.97%
2023	1,450,213	90,527	1,359,686	6.24%

DAVIDSON COUNTY, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2023	
Assessed value of taxable property	\$ 18,127,663,376
Debt limit - eight percent (8%) of assessed value	\$ 1,450,213,070
Amount of debt applicable to debt limit:	
Bonded debt	\$ 18,910,000
Leases	225,807
Subscriptions	1,334,186
Certificates of participation	775,000
Limited Obligation Bonds	54,535,000
Installment Financing - REDLG	1,020,000
Qualified School Construction Bonds	13,726,926
Total amount of debt applicable to legal debt limit	90,526,919
Legal debt margin	\$ 1,359,686,151

DAVIDSON COUNTY, NORTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2023

	Net Debt Outstanding	Percentage Applicable to Davidson County	Amount Applicable to Davidson County
Davidson County	\$ 99,576,247	100%	\$ 99,576,247
Total direct debt	99,576,247		99,576,247
City of Lexington	5,409,301	100%	5,409,301
Total overlapping debt	5,409,301		5,409,301
Total direct and overlapping debt	\$ 104,985,548		\$ 104,985,548

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County.

Table 9

DAVIDSON COUNTY, NORTH CAROLINA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL
GOVERNMENT EXPENDITURES
Last Ten Fiscal Years

Year	Principal	Interest and Fiscal Charges	Total Debt Service	General Government Expenditures	Ratio (1)
2014	6,163,465	3,852,226	10,015,691	135,403,289	7.40%
2015	7,218,465	3,642,924	10,861,389	149,450,491	7.27%
2016	6,193,465	4,041,731	10,235,196	158,662,908	6.45%
2017	7,933,465	4,881,757	12,815,222	173,078,695	7.40%
2018	7,743,465	4,585,408	12,328,873	153,607,553	8.03%
2019	14,668,465	4,419,534	19,087,999	165,387,590	11.54%
2020	7,718,465	4,401,960	12,120,425	169,973,453	7.13%
2021	7,653,465	4,902,608	12,556,073	172,037,986	7.30%
2022	9,092,764	4,659,186	13,751,950	172,804,306	7.96%
2023	9,397,025	4,296,560	13,693,585	190,892,733	7.17%

Notes: (1) Includes all General, Special Revenue, and Capital Projects Funds.

DAVIDSON COUNTY, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year Ended June 30,	Population (1)	Personal Income (thousands of dollars)(1)	Per Capita Income (1)	Public School Enrollment (1)	Unemployment Rate (2)
2014	163,770	3,567,402	21,783	25,231	6.7%
2015	164,454	3,582,301	21,783	25,141	5.9%
2016	164,622	3,585,961	21,783	24,549	4.9%
2017	164,926	3,920,456	23,771	24,246	4.1%
2018	166,137	3,920,456	23,146	24,257	3.9%
2019	166,614	4,244,158	25,473	23,847	4.2%
2020	168,093	4,368,401	25,988	24,339	7.3%
2021	169,180	4,396,650	25,988	23,278	4.6%
2022	169,180	4,798,146	28,361	23,556	3.9%
2023	172,586	4,840,865	28,049	23,556	3.5%

Sources:

(1) Most recent annual estimates as certified to the North Carolina Department of Commerce

(2) Employment Security Commission

**DAVIDSON COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 11,816,688	\$ 12,562,051	\$ 12,723,736	\$ 12,865,686	\$ 8,206,672	\$ 4,186,411	\$ 13,338,697	\$ 15,574,436	\$ 17,685,489	\$ 20,660,936
Human Services	30,605,201	30,715,679	32,549,001	32,463,815	26,624,427	27,620,785	29,755,953	28,268,641	28,151,261	31,019,745
Public Safety	33,180,756	32,104,612	34,748,009	36,618,677	37,422,926	46,449,812	44,374,731	47,476,815	48,067,677	58,682,734
Environmental protection	1,427,514	1,289,409	1,455,850	1,593,432	1,259,949	1,317,974	1,495,053	1,441,343	1,513,037	1,819,084
Economic and physical development	3,945,583	3,331,921	4,311,784	3,905,566	8,804,661	7,115,292	3,645,157	4,644,453	12,004,511	9,060,881
Culture and recreation	4,533,019	3,814,191	4,197,177	5,258,102	4,465,349	5,216,258	5,068,335	6,106,909	5,290,750	6,290,681
Transportation	1,616,226	933,502	846,392	898,341	941,313	992,287	1,179,807	1,358,363	1,507,842	1,600,486
Education	38,622,558	40,468,138	56,368,424	67,942,556	48,892,280	43,011,832	42,905,159	44,119,643	44,119,643	49,215,624
Interest and fiscal charges	3,779,260	3,567,558	7,198,002	4,087,591	3,930,486	3,626,433	3,594,062	3,799,926	3,613,216	3,221,865
Total governmental activities expenses	129,526,785	128,787,061	154,398,375	165,633,766	140,548,063	139,537,084	145,356,754	152,776,679	161,953,436	181,572,036
Business-type activities:										
Landfill	2,920,376	6,827,440	3,267,010	5,426,859	3,441,763	4,674,114	5,258,383	3,395,657	5,093,751	4,163,335
Sewer	1,202,660	1,126,483	1,450,796	1,233,717	1,241,748	1,398,374	1,266,203	1,307,602	1,264,472	1,360,756
Total business-type activities	4,123,036	7,953,923	4,717,806	6,660,576	4,683,511	6,073,488	6,524,586	4,703,259	6,358,223	5,524,093
Total primary governmental expenses	\$ 133,649,821	\$ 136,740,984	\$ 159,116,181	\$ 172,294,342	\$ 145,231,574	\$ 145,610,572	\$ 151,881,340	\$ 157,479,938	\$ 168,311,659	\$ 187,096,129
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,310,018	\$ 1,453,612	\$ 1,547,032	\$ 1,659,209	\$ 1,618,873	\$ 1,692,772	\$ 1,801,775	\$ 3,042,483	\$ 3,739,071	\$ 3,776,807
Human services	538,060	543,002	624,828	588,531	639,725	718,954	958,995	873,798	311,730	326,712
Public safety	5,967,552	5,417,271	6,410,928	6,887,828	6,107,539	7,800,922	7,180,900	1,677,098	2,982,025	3,279,208
Culture and recreation	198,135	191,837	184,527	227,897	203,952	305,968	266,793	266,150	243,266	259,664
Other activities	1,021,421	640,920	1,232,263	927,832	163,620	148,749	165,387	231,963	192,033	151,629
Operating grants and contributions	24,096,069	26,955,897	26,376,734	26,614,730	20,804,373	21,450,730	23,225,612	34,790,743	30,175,660	72,296,395
Capital grants and contributions	6,432,288	-	1,460,682	500,092	3,485,556	3,382,359	1,149,250	1,218,715	903,398	7,250,216
Total governmental activities program revenues	39,563,543	35,202,539	37,836,994	37,406,337	33,023,638	36,500,454	34,748,712	42,100,970	38,527,183	87,340,631
Business-type activities:										
Charges for services:										
Landfill	3,992,416	4,120,887	4,159,049	4,452,466	4,691,387	5,059,263	5,124,454	5,609,664	5,714,595	5,369,092
Sewer	446,165	477,487	543,388	613,849	657,865	847,871	799,792	846,643	992,972	1,043,754
Capital grants and contributions	-	-	-	-	-	-	50,000	-	-	5,000,000
Total business-type activities program revenues	4,438,581	4,598,374	4,702,437	5,066,315	5,349,252	5,907,134	5,974,246	6,456,307	6,707,567	11,412,846
Total primary governmental net expense	\$ 44,002,124	\$ 39,800,913	\$ 42,539,431	\$ 42,472,652	\$ 38,372,890	\$ 41,407,588	\$ 40,722,958	\$ 48,557,277	\$ 45,234,750	\$ 98,753,477
Net (expense)/revenue										
Governmental activities	\$ (89,963,242)	\$ (93,584,522)	\$ (116,561,351)	\$ (128,227,429)	\$ (107,524,425)	\$ (104,036,630)	\$ (110,608,042)	\$ (110,675,709)	\$ (123,426,253)	\$ (94,231,405)
Business-type activities	315,545	(3,355,549)	(15,369)	(1,594,261)	665,741	(166,354)	(550,340)	1,753,048	349,344	5,888,753
Total primary governmental net expense	\$ (89,647,697)	\$ (96,940,071)	\$ (116,576,750)	\$ (129,821,690)	\$ (106,858,684)	\$ (104,202,984)	\$ (111,158,382)	\$ (108,922,661)	\$ (123,076,909)	\$ (88,342,652)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 82,230,762	\$ 82,927,734	\$ 83,986,076	\$ 85,133,095	\$ 86,793,550	\$ 89,430,206	\$ 91,349,062	\$ 95,770,364	\$ 109,143,288	\$ 113,204,275
Sales taxes	18,402,633	22,084,870	24,297,053	28,948,404	30,179,230	33,394,652	36,561,325	42,536,420	48,191,952	53,946,520
Other taxes	1,586,357	1,561,609	1,557,866	1,695,436	2,028,440	2,029,066	1,920,481	1,260,118	1,235,368	1,243,733
Investment earnings	316,229	307,954	419,838	512,871	1,063,803	2,172,893	1,739,251	92,071	(103,330)	6,788,805
Miscellaneous	2,328,908	1,282,400	998,267	978,148	1,895,472	6,990,818	545,486	958,700	1,971,857	1,221,749
Contributions of general capital assets	-	-	6,632,793	-	-	-	-	-	-	-
Transfers	(1,101,622)	(1,016,043)	(487,718)	(1,609,944)	(891,032)	(1,394,336)	(706,871)	(933,100)	(900,950)	(884,525)
Total governmental activities	103,763,267	107,148,524	117,404,175	115,658,010	121,069,463	132,623,299	131,408,734	139,704,573	159,538,185	175,520,557

DAVIDSON COUNTY, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Other taxes	334,919	353,211	345,643	350,099	477,035	465,744	416,315	436,976	504,160	485,230
Investment earnings	35,600	44,091	50,592	72,878	185,910	357,607	284,624	21,579	41,119	942,474
Other	-	-	-	104,765	152,687	156,322	104,765	104,765	104,765	104,765
Transfers	1,101,622	1,016,043	487,718	1,609,944	891,032	1,394,336	706,871	933,100	900,950	884,525
Total business-type activities	1,472,141	1,413,345	883,953	2,137,686	1,706,664	2,374,009	1,512,575	1,496,420	1,550,994	2,416,994
Total primary government	\$ 105,235,408	\$ 106,561,869	\$ 118,288,128	\$ 117,795,696	\$ 122,776,127	\$ 134,997,308	\$ 132,921,309	\$ 141,200,993	\$ 161,089,179	\$ 177,937,551
Change in Net Position										
Governmental activities	\$ 13,800,025	\$ 13,564,002	\$ 842,794	\$ (12,569,419)	\$ 13,545,038	\$ 28,586,669	\$ 20,800,692	\$ 29,028,864	\$ 36,111,932	\$ 81,289,152
Business-type activities	1,787,686	(1,942,204)	868,584	543,425	2,372,405	2,207,655	962,235	3,249,468	1,900,338	8,305,747
Total primary government	\$ 15,587,711	\$ 11,621,798	\$ 1,711,378	\$ (12,025,994)	\$ 15,917,443	\$ 30,794,324	\$ 21,762,927	\$ 32,278,332	\$ 38,012,270	\$ 89,594,899

DAVIDSON COUNTY, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 1,572,352	\$ 1,469,723	\$ 1,363,064	\$ 1,252,163	\$ 1,136,798	\$ 1,176,734	\$ 395,000	\$ 330,000	\$ 450,046	\$ 204,042
Restricted	16,864,563	27,611,649	20,928,380	22,058,268	23,688,640	25,755,369	28,257,890	30,133,123	31,200,797	35,295,384
Committed	79,000	79,000	375,340	375,340	375,340	375,340	375,340	306,340	306,340	306,340
Assigned	3,090,362	2,700,105	2,740,602	3,054,098	3,062,506	3,655,323	4,061,097	5,033,382	5,533,382	4,965,695
Unassigned	34,131,198	27,141,583	39,451,906	44,325,243	50,252,240	52,741,883	62,131,328	68,347,051	71,833,870	119,247,219
Total General Fund	\$ 55,737,475	\$ 59,002,060	\$ 64,859,292	\$ 71,065,112	\$ 78,505,524	\$ 83,704,649	\$ 95,220,655	\$ 104,149,896	\$ 109,324,435	\$ 160,018,680
All other governmental funds										
Restricted	\$ 2,621,157	\$ 2,515,444	\$ 40,682,624	\$ 8,434,530	\$ 10,075,666	\$ 7,040,183	\$ 18,517,404	\$ 4,892,567	\$ 4,336,223	\$ 10,239,988
Committed	18,109,063	15,430,081	8,673,267	21,565,370	13,618,272	18,049,778	22,835,807	37,687,211	57,575,968	69,488,385
Unassigned	-	(6,390,336)	-	-	-	-	(3,381)	-	-	(2,534,090)
Total all other governmental funds	\$ 20,730,220	\$ 11,555,189	\$ 49,355,891	\$ 29,999,900	\$ 23,693,938	\$ 25,089,961	\$ 41,349,830	\$ 42,579,778	\$ 61,912,191	\$ 77,194,283

Note: Beginning fiscal year 2011, GASB Statement 54 was implemented for fund balance categories.

DAVIDSON COUNTY, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 29,836,571	\$ 42,200,503	\$ 42,032,142	\$ 44,100,295	\$ 47,386,211	\$ 57,817,784	\$ 62,999,795	\$ 63,182,870	\$ 64,434,632	\$ 67,282,933
Restricted	15,603,971	26,646,082	18,975,711	21,718,561	20,259,080	21,728,262	22,652,067	24,093,095	24,981,683	34,022,381
Unrestricted	(24,919,168)	(38,788,323)	(29,771,353)	(49,015,655)	(46,397,935)	(29,712,021)	(15,017,145)	12,418,488	46,390,070	125,402,685
Total Governmental activities net position	\$ 20,521,374	\$ 30,058,262	\$ 31,236,500	\$ 16,803,201	\$ 21,247,356	\$ 49,834,025	\$ 70,634,717	\$ 99,694,453	\$ 135,806,385	\$ 226,707,999
Business-type activities										
Net investment in capital assets	\$ 11,072,741	\$ 9,643,520	\$ 10,093,419	\$ 8,940,176	\$ 9,008,850	\$ 10,689,795	\$ 11,528,970	\$ 13,212,725	\$ 13,557,290	\$ 18,505,740
Unrestricted	7,162,514	6,570,204	6,988,889	8,685,557	10,770,384	11,297,094	11,420,154	12,985,867	14,541,640	17,898,937
Total business-type activities net position	\$ 18,235,255	\$ 16,213,724	\$ 17,082,308	\$ 17,625,733	\$ 19,779,234	\$ 21,986,889	\$ 22,949,124	\$ 26,198,592	\$ 28,098,930	\$ 36,404,677
Primary government										
Net investment in capital assets	\$ 40,909,312	\$ 51,844,023	\$ 52,125,561	\$ 53,040,471	\$ 56,395,061	\$ 68,507,579	\$ 74,528,765	\$ 76,395,595	\$ 77,991,922	\$ 85,788,673
Restricted	15,603,971	26,646,082	18,975,711	21,718,561	20,259,080	21,728,262	22,652,067	24,093,095	24,981,683	34,022,381
Unrestricted	(17,756,654)	(32,218,119)	(22,782,464)	(40,330,098)	(35,627,551)	(18,414,927)	(3,596,991)	25,404,355	60,931,710	143,301,622
Total primary government net position	\$ 38,756,629	\$ 46,271,986	\$ 48,318,808	\$ 34,428,934	\$ 41,026,590	\$ 71,820,914	\$ 93,583,841	\$ 125,893,045	\$ 163,905,315	\$ 263,112,676

DAVIDSON COUNTY, NORTH CAROLINA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						Business-Type Activities						
	General Obligation Bonds	Unamortized Premium	Qualified Zone Academy Bonds	Qualified		Certificates of Participation	General Obligation Bonds	Unamortized Premium	Limited Obligation Bonds	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
				School Construction Bonds	Limited Obligation Bonds								
2014	58,570,000	842,964	1,030,000	16,773,112	2,910,000	8,940,000	810,000	-	1,600,000	8,300,547	99,776,623	2.80%	609
2015	54,450,000	782,208	-	16,434,646	2,215,000	7,905,000	760,000	-	1,465,000	7,877,193	91,889,047	2.57%	559
2016	46,105,000	14,908,730	-	16,096,181	-	6,925,000	675,000	1,361,942	7,455,000	-	138,481,853	3.86%	841
2017	42,385,000	14,138,610	-	15,757,716	7,000,000	5,965,000	625,000	1,257,177	6,945,000	-	136,113,503	3.47%	825
2018	38,845,000	13,368,490	-	15,419,251	7,000,000	5,035,000	575,000	1,152,412	6,420,000	-	126,920,153	3.24%	764
2019	34,615,000	12,598,370	-	15,080,786	1,980,000	4,130,000	525,000	1,047,647	5,875,000	-	112,781,803	2.66%	677
2020	30,530,000	17,657,703	-	14,742,321	1,740,000	3,250,000	475,000	942,882	5,315,000	-	134,887,906	3.09%	802
2021	26,480,000	16,589,909	-	14,403,856	1,500,000	2,400,000	425,000	838,117	4,735,000	-	125,431,882	2.85%	741
2022	22,510,000	15,522,115	-	14,065,391	1,260,000	1,575,000	380,000	733,352	4,130,000	-	114,720,858	2.39%	678
2023	18,575,000	14,454,321	-	13,726,926	1,020,000	775,000	335,000	628,587	3,510,000	-	104,049,834	2.15%	603

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

DAVIDSON COUNTY, NORTH CAROLINA
Principal Employers
Current Year and Nine Years Ago

	2023		2014	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Davidson County Schools	1000+	3.00%	1000+	3.00%
Atrium Corporation	1000+	3.00%	500-999	1.00%
County of Davidson	500-999	1.00%	500-999	1.00%
Old Dominion Freight Line	500-999	1.00%	500-999	1.00%
Wal-mart Associates, Inc.	500-999	1.00%	500-999	1.00%
Food Lion	500-999	1.00%	500-999	1.00%
Bradley Personnel Inc.	500-999	1.00%		
Jeld-Wen	500-999	1.00%		
Pergo LLC	500-999	1.00%		
Asco Power Technologies	500-999	1.00%		
Novant Health Thomasville Medical			500-999	1.00%
Wake Forest Baptist Medical			500-999	1.00%
Davidson Davie Community College			500-999	1.00%
Century Employer Organization			500-999	1.00%
Total County Employment	83,058		71,829	

Source: Principal employer data is from the NC Department of Commerce, labor market information. Total County employment is from the NC Department of Commerce civilian labor force estimates.

**DAVIDSON COUNTY, NORTH CAROLINA
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	2023		2014	
	Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
EGGER Wood Products LLC	\$ 361,638,240	1.99%	\$ -	-
Unilin Flooring NC LLC	258,395,303	1.43%	57,098,171	0.42%
Duke Energy	167,939,302	0.93%	92,640,807	0.67%
Hayward North Carolina (formerly Kimberly- Clark Corporation)	110,015,407	0.61%	82,935,383	0.60%
Electric Glass Fiber America, LLC (formerly PPG industries)	80,832,121	0.45%	65,114,639	0.47%
Energy United	80,812,017	0.45%	-	-
Transcontinental Pipeline Co.	68,896,350	0.38%	-	-
Owens-Brockway	50,888,002	0.28%	26,873,656	0.20%
Cube Yadkin Generation LLC (formerly Yadkin, Inc.)	48,737,192	0.27%	53,192,601	0.39%
Norfolk Southern	37,964,215	0.21%	-	-
Walmart Stores East LP	-	-	30,606,602	0.22%
RCR Enterprises, LLC	-	-	24,646,391	0.18%
Newbridge Bank	-	-	25,500,699	0.19%
Vitacost	-	-	20,310,293	0.15%
Total	1,266,118,149		478,919,242	

Source - Davidson County Tax Department

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

Function	Full-time Equivalent Employees As of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	110	111	111	108	109	109	108	108	109	111
Human Services	315	315	324	327	321	328	329	330	334	324
Public Safety	359	371	381	381	381	388	395	395	403	426
Environmental protection	21	20	21	19	19	16	15	17	17	17
Economic and physical development	38	37	36	31	30	29	30	30	30	31
Culture and recreation	75	73	73	73	73	74	74	74	74	75
Transportation	16	16	10	8	10	8	8	5	5	5
Landfill	17	15	15	13	17	15	15	14	14	14
Sewer	1	-	-	1	1	1	1	1	1	1
Garage	7	7	6	5	5	5	6	6	6	6
Total	959	965	977	966	966	973	981	980	993	1,010

Source: Davidson County Budget Office.

**DAVIDSON COUNTY, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

Function	Fiscal Year									
	As of June 30									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Human Services (1):										
Public health occupied square footage	34,060	34,060	34,060	34,060	34,060	34,060	34,060	34,060	34,060	34,060
Social services occupied square footage	57,615	57,615	54,221	54,221	54,221	54,221	54,221	56,810	57,237	60,941
Public Safety (1):										
Number of Emergency medical stations	8	8	8	8	8	8	8	8	8	8
Number of volunteer fire stations	30	30	30	30	30	30	30	30	30	30
Culture & recreation (1):										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Education (2):										
Number of schools	46	46	46	46	47	47	47	47	47	47

Source: (1) Davidson County Departments
(2) Davidson County school systems

**DAVIDSON COUNTY, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

Function	Fiscal Year									
	As of June 30									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government:										
Registered motor vehicles per 1000 population (3)	1,023	1,049	1,060	1,583	1,058	1,084	1,034	1,095	1,048	1,066
Human services (1):										
Children in Social Services custody	191	209	218	254	253	280	285	251	163	144
Public Safety (1):										
Number of EMS calls dispatched	23,634	23,373	23,056	23,508	25,095	26,682	26,832	30,203	33,543	31,786
Number of emergency medical technicians	117	117	138	138	138	129	127	127	140	136
Building permits issued	4,883	6,173	7,041	7,431	6,739	7,291	8,159	8,641	10,169	11,842
Number of firemen	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
Number of fire inspections made	1,577	1,816	1,738	1,943	1,766	1,872	1,345	1,366	1,066	1,111
Economic and physical development (1):										
Number of individuals sponsored in WIA services	347	737	596	264	419	883	891	636	548	548
Education (2):										
Number of students	25,231	25,141	25,131	24,246	24,257	23,847	24,339	23,278	23,556	23,556

Source: (1) Davidson County Departments
(2) NC Dept. of Public Instruction
(3) NC VTS

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