

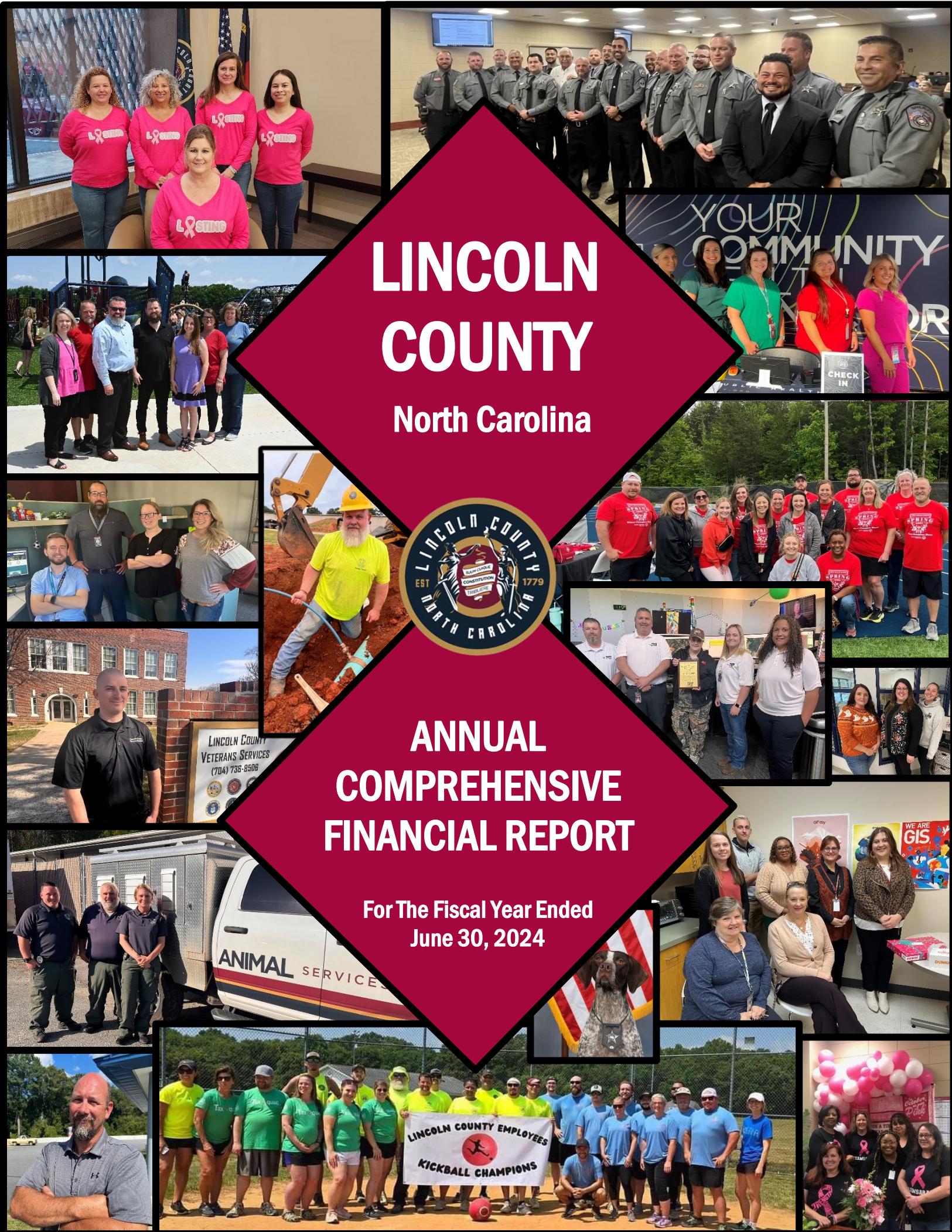
# LINCOLN COUNTY

North Carolina



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Fiscal Year Ended  
June 30, 2024



**LINCOLN COUNTY  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**PREPARED BY  
LINCOLN COUNTY FINANCE DEPARTMENT**

# LINCOLN COUNTY, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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# LINCOLN COUNTY, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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- **GFOA Certificate of Achievement**
- **List of Principal Officials**
- **Organizational Chart**

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## LINCOLN COUNTY FINANCE DEPARTMENT

October 31, 2024

Chairperson Cathy Davis,  
Board of County Commissioners,  
And the Citizens of Lincoln County,  
North Carolina

The Annual Comprehensive Financial Report (ACFR) for Lincoln County, North Carolina, for the fiscal year ended June 30, 2024, is hereby submitted. The report consists of management representations concerning the finances of Lincoln County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Lincoln County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile reliable information for the preparation of Lincoln County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits. Lincoln County's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Lincoln County's financial statements have been audited by Martin Starnes & Associates CPAs, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lincoln County for the fiscal year ended June 30, 2024, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Lincoln County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

The Annual Comprehensive Financial Report (ACFR) has been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*. Additionally, the financial statements have been prepared in compliance with applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and financial reporting contained in both

*Audits of State and Local Governmental Units*, and the audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA), and *Government Auditing Standards*, issued by the Comptroller General of the United States. Among other resources used in the preparation of the financial statements, the Finance Department Staff has given particular attention to *Governmental Accounting, Auditing, and Financial Reporting (GAAFR)* issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

The Single Audit Act of 1984 established requirements for state and local governments that receive federal assistance. The audit requirements have also been adopted by the State of North Carolina for state grants. Information related to this single audit, including the Schedule of Expenditures of Federal and State Awards, schedule of findings and questioned costs, auditor's report on internal control and compliance with laws and regulations, and other schedules and exhibits necessary to satisfy the requirements of the single audit, are included in the compliance section.

Generally Accepted Accounting Principles 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 the MD&A and should be read in conjunction with it. Lincoln County's MD&A is presented immediately following the report of our independent auditors.

## **Financial Reporting Entity**

This ACFR includes all funds of the County, including all activities considered to be part of (controlled by or dependent upon) the County. Control by or dependence upon the County was determined in accordance with the criteria established by the Governmental Accounting Standards Board (GASB) and included in the GASB's guidance in defining the governmental reporting entity.

The financial reporting entity includes all funds of Lincoln County, as well as its component units. Component units are legally separate entities for which Lincoln County is financially accountable.

Proprietary funds are used to account for a government's continuing business-type organizations and activities. Most of the generally accepted accounting principles of proprietary funds are those applicable to similar private businesses.

State Statutes require the adoption of an annual balanced budget for all funds, except the fiduciary funds and those authorized by project ordinance. Expenditures may not legally exceed appropriations at the functional level for the general fund, the functional level for the special revenue funds and enterprise funds and at the project level for the capital projects funds. The annual budget serves as the basis for the County's financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the County's financial operations including funding for various agencies outside the County's organizational structure. The County Manager submits the annual balanced budget to the Board of Commissioners before June 30 each year. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. In accordance with North Carolina Statutes,

the governing board shall adopt a budget no earlier than ten days after the budget is presented to the Board and no later than July 1. During the fiscal year, the County Manager is authorized to transfer budgeted amounts within the objects of a department and up to \$50,000 between departments of the same fund; however, any revisions that alter the total budget of any fund must be approved by the Board of Commissioners.

## **Profile of the Government**

The County is located in the western portion of the North Carolina Piedmont Plateau, approximately 165 miles west of Raleigh, the State Capital, and 30 miles northwest of Charlotte, the State's largest City. The County was formed in 1779 and has a total land area of approximately 308 square miles. The City of Lincolnton, with an estimated 2024 population of 12,443 is the center of an urban area of 15,000, the County seat, and the only incorporated municipality in the County. The County's population as of July 1, 2024, according to the State Demographer, was 94,819.

There is continued growing suburban development and extensive construction in the eastern portion of the County along and near Lake Norman, the State's largest man-made lake by surface area, with approximately 520 miles of shoreline. This area is within 30 minutes of uptown Charlotte and has experienced significant residential and commercial growth in recent years.

## **Economic Diversity**

A combination of diversified industries, agricultural production, and major distribution centers contributes to the economy of the County. The main agricultural pursuits are poultry production, dairy farming, apple production, field crops and vegetable production. The major industrial employers are in metal and electronics manufacturing, specialty textiles, home products, food processing and motorsports.

The Lincolnton and Lincoln County Micropolitan Area was ranked 4<sup>th</sup> nationally by *Site Selection* magazine in 2010 for its ability to secure new and expanded industrial projects. Since 2004, the Lincoln County Micropolitan Area has been ranked in the top 25 every year except for one.

Fiscal year 2024 again saw steady demand in the residential construction permitting on the eastern end of the County, and some large developments in the center of the County. Trilogy Corporation continues to construct a large residential development, and two residential developments have started construction near Lincolnton. Multiple new and expanded industry announcements were made in fiscal year 2024, totaling over \$361,000,000. The Lincolnton Business Park and the Airlie Business Park continue to have strong tenant demand.

## **Capital Improvement Program**

The Lincoln County Water Treatment Plant is undergoing expansion currently, and the County issued \$13.8 million of the initial Enterprise System Revenue Bonds in October, 2018 to fund the project. The project is 99% completed as of June 2024.

In fiscal year 2021, the County issued debt of \$28,435,000 in Enterprise Revenue Bonds for expansion of the Wastewater Treatment Plant. The plant is being upgraded from 3.3 MGD of current capacity to 6.6 MGD full capacity. This project should be completed sometime in FY 2025.

In fiscal year 2022, the County issued debt of \$19,640,000 for the construction of an Emergency Services facility. A state of the art facility which will house EMS, Emergency Management, the Fire Marshal and the Medical Examiner's office. This facility was constructively completed in the spring of 2024.

## **Long Term Planning**

As one of the principal goals of the Planning and Inspections Department, Long Range Planning includes several projects which provide guidance for the future development throughout Lincoln County. The staff continues to work on many long term projects simultaneously with advisement from the Board of Commissioners, Planning Board and the citizens. Permitting activity has significantly increased in Lincoln County over the past several years.

Staff and the Planning Board are examining existing zoning districts and how they correlate with the Lincoln County Land Use Plan and other small area plans. Considering the fact that zoning in Lincoln County has been in existence for nearly twenty-five years, it is prudent to examine how the county has changed. For example, there are water and sewer lines and future expansions that need to be considered when examining current and future density patterns. While it is likely that there will not be numerous zoning changes, it is important to recognize those areas that might need to be adjusted accordingly.

## Education

Funding for education remains a large expenditure category in our budget with a total of \$33,341,874 expended from the General Fund. In May, 2018, Lincoln County voters approved a ¼ cent sales tax increase. Article 46 is used to fund certain annually-specified local school capital needs.

## Other Post-Employment Benefits

The County provides certain other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees.

The County offers post-retirement health care benefits to all full-time County employees who retire with at least 20 years of service from the Local Government Retirement system, and who were members of the System prior to July 1, 2013. After the employee reaches age 65 or until they are eligible to receive Medicare Benefits, whichever occurs first, the coverage will be terminated, and the County will provide a Medicare supplement. The County pays the same rate for insurance coverage for both retired employees' post-retirement health care and for current employees with the balance paid by the employees or retirees. The County will fund this benefit on a pay-as-you-go basis for the upcoming year. Effective July 1, 2013, no other post-employment benefits are offered for new hires.

In June, 2017, the GASB issued Statement No. 87, *Leases*. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures for lease transactions, both for the lessor and the lessee. The County implemented GASB Statement No. 87 in fiscal year 2022.

## Awards and Acknowledgements

### *Certificate of Achievement for Excellence in Financial Reporting*

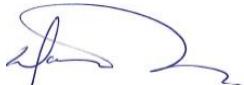
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lincoln County for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the twenty eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### *Acknowledgements*

We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of the ACFR. We would like to thank all members of the Department who contributed to its preparation and the County's independent certified public accountants, Martin Starnes & Associates, CPAs, P.A., for their assistance. The cooperation of each County department is appreciated as we work together in conducting the County's financial operations. We also express our appreciation to the members of the Board of County Commissioners for their continued support, guidance and advice in planning and conducting the financial activities of the County in a responsible manner.

Respectfully submitted,



Davin Madden  
County Manager



Deanna L. Rios  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Lincoln County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrell*

Executive Director/CEO

# **LIST OF OFFICIALS**

## **BOARD OF COMMISSIONERS**

Cathy Davis, Chairman  
Bud Cesena, Vice Chairman  
Anita McCall  
Carrol Mitchem  
Jamie Lineberger

Jennifer Farmer, Clerk to the Board

## **CONSTITUTIONAL OFFICERS**

Sheriff Bill Beam  
Danny Hester, Register of Deeds

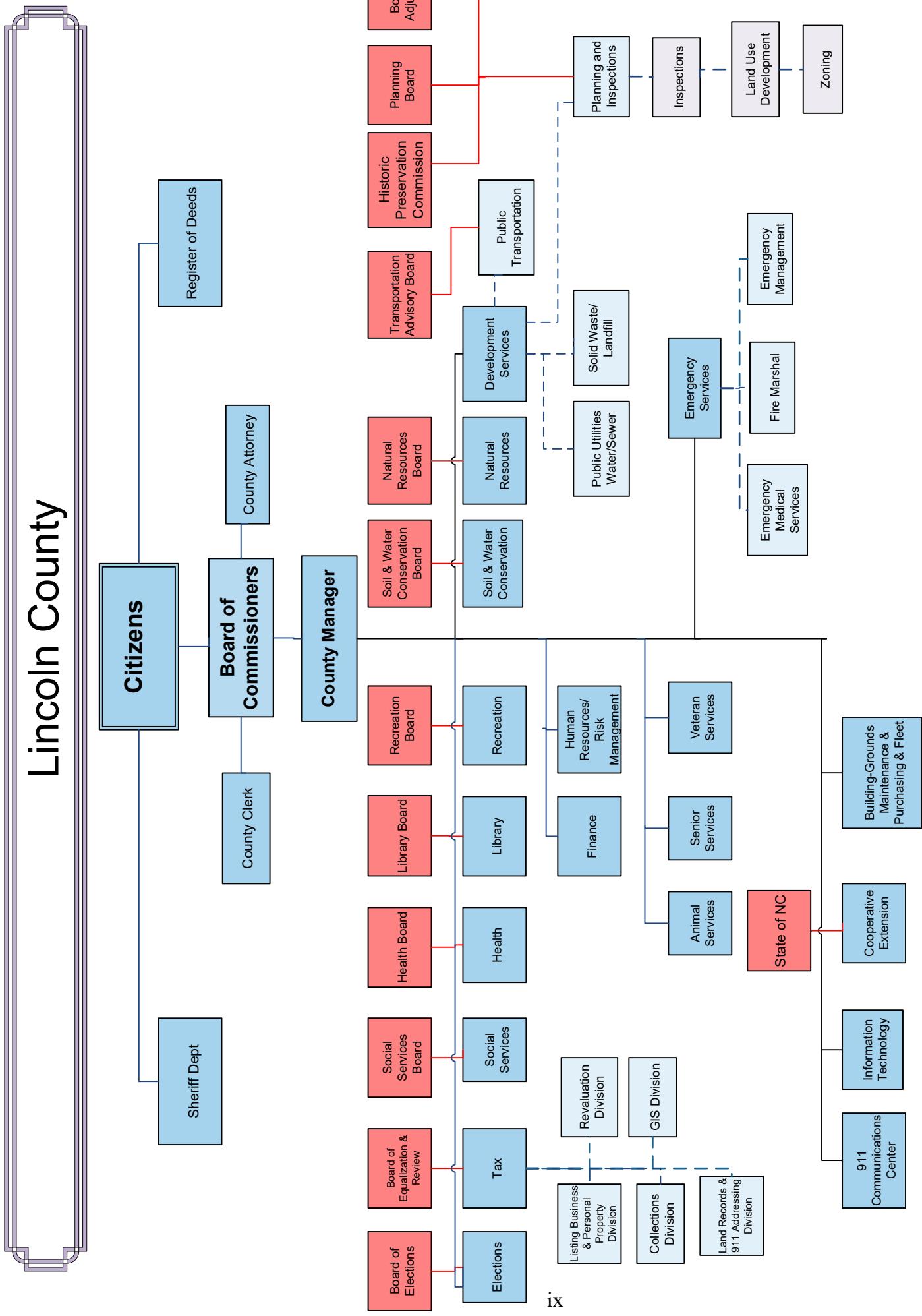
## **COUNTY ADMINISTRATION**

Davin Madden, County Manager  
Deanna Rios, CPA, Finance Director  
Crystal Watson, Controller  
Megan Gilbert, County Attorney

## **DEPARTMENT MANAGERS**

Andrew Bryant, Development Services Director  
Lena Jones, Health Director  
John Henry, Facilities Management Director & Purchasing Agent  
Kathryn Saine, Senior Services Director  
John Davis, Parks & Recreation Director  
Susan Sain, Tax Administrator  
Matthew Hillman, Director of Social Services  
Evan Crawley, Soil & Water Conservation Manager  
Benjamin Cohen, Director of Information Technology  
Bradley Putnam, Director of Elections  
Joey Briggs, Veterans Services Officer  
Ron Rombs, Emergency Services Director  
Jennifer Sackett, PhD, Library Director  
Jana Aviles, Animal Services Director  
Bill Gibbs, Communications Director  
Tanya Binafif, Director of NC Cooperative Extension Office

# Lincoln County



## **FINANCIAL SECTION**

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- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to the Financial Statements**
- **Required Supplementary Information**
- **Combining, Individual Fund Financial Statements and Schedules**

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# MARTIN ♦ STARNES

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## & ASSOCIATES, CPAs, P.A.

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

### **Independent Auditor's Report**

To the Board of Commissioners  
Lincoln County  
Lincolnton, 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 Lincoln County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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 Lincoln County, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Fire Districts 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 Lincoln County ABC Board, which represents 99%, 99% and 99%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2024. 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 Lincoln 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 Lincoln 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' Schedules of Changes in Total OPEB Liability and Related Ratios, the Local Governmental Employee's Retirement System Proportionate Share of Net Pension Liability (Asset) and Schedule of County's Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County's Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of 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 Lincoln County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America 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, budget and actual schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of Lincoln 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 Lincoln 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 Lincoln County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 31, 2024

## **Management's Discussion and Analysis**

As management of Lincoln County, we offer readers of Lincoln County's financial statements this narrative overview and analysis of the financial activities of Lincoln County for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

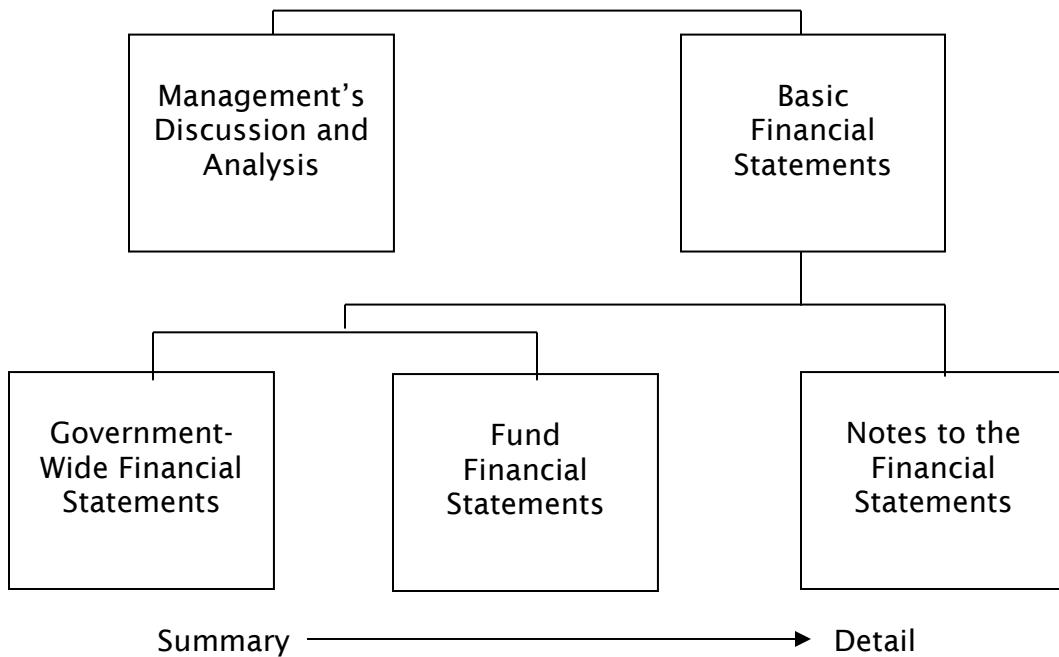
### **Financial Highlights**

- The assets and deferred outflows of resources of Lincoln County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$276,699,312 (*net position*).
- Current year increase in the sales tax, effective tax collections, multiple grants received, and conservative spending were the primary factors contributing to the increase in the government's total net position of \$51,947,423.
- At the close of the current fiscal year, Lincoln County's governmental funds reported combined ending fund balances of \$133,439,433, an increase of \$19,767,965, in comparison with the prior year amount. This increase was primarily due to the multiple Federal and State grants that the County was awarded. Approximately 47% of this amount, or \$62,414,519, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$35,975,327, or 25.9%, of total General Fund expenditures for the fiscal year.
- Lincoln County's total long term debt decreased by \$12,195,298, or 8.08%, during the current fiscal year. The key factor in this decrease was the payment of debt.
- Standard and Poor's Corporation affirmed Lincoln County's bond rating of AA+ in June 2024. Moody's Investors Service increased Lincoln County's bond rating from Aa2 to Aa1 in June 2024. Fitch Ratings increased the County's GO rating to AAA as a result of our last ratings in June 2024. Standard and Poor's Corporation increased the County's Enterprise Fund Revenue Bonds rating to AA+ in June 2024.

### **Overview of the Financial Statements**

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

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



## **Basic Financial Statements**

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through K) are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental fund 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 to the Financial Statements**. The notes 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 individual funds. Budgetary information required by the General Statutes of North Carolina can also be found in this part of the statements.

## **Government-Wide Financial Statements**

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources, and total liabilities

and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services, such as public safety, parks and recreation, and general administration. Property taxes and State and Federal grant funds finance most of these activities. The business-type activities are those that the County provides to customers for a fee. These include the water, sewer and solid waste services offered by Lincoln County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. Lincoln Community Friends, a 501(c)(3) corporation, was founded to obtain grants for Lincoln County. Lincoln Community Friends is made up of a nine-member board, all of whom are appointed by the County Commissioners.

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. Lincoln 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 Lincoln County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Lincoln County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds.** Lincoln County has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Lincoln County uses enterprise funds to account for its water and sewer activity and for its solid waste collection and disposal. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of Lincoln County. The County uses internal service funds to account for health insurance and workers' compensation. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Lincoln County has four fiduciary funds, which are custodial funds.

**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 start after Exhibit K of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Lincoln County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information starts after the Notes to the Financial Statements.

**Interdependence with Other Entities.** The County depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current and other assets	\$ 190,544,184	\$ 148,037,821	\$ 62,243,013	\$ 55,208,366	\$ 252,787,197	\$ 203,246,187
Capital assets	<u>164,455,114</u>	<u>149,691,688</u>	<u>141,263,370</u>	<u>140,435,279</u>	<u>305,718,484</u>	<u>290,126,967</u>
Total assets	<u>354,999,298</u>	<u>297,729,509</u>	<u>203,506,383</u>	<u>195,643,645</u>	<u>558,505,681</u>	<u>493,373,154</u>
Deferred outflows of resources	<u>27,948,197</u>	<u>29,159,396</u>	<u>2,708,028</u>	<u>2,828,544</u>	<u>30,656,225</u>	<u>31,987,940</u>
<b>Liabilities:</b>						
Long-term liabilities						
outstanding	168,179,371	174,199,082	84,229,178	83,447,822	252,408,549	257,646,904
Other liabilities	<u>45,632,875</u>	<u>23,038,044</u>	<u>3,257,855</u>	<u>3,457,627</u>	<u>48,890,730</u>	<u>26,495,671</u>
Total liabilities	<u>213,812,246</u>	<u>197,237,126</u>	<u>87,487,033</u>	<u>86,905,449</u>	<u>301,299,279</u>	<u>284,142,575</u>
Deferred inflows of resources	<u>10,267,229</u>	<u>15,115,643</u>	<u>896,086</u>	<u>1,350,987</u>	<u>11,163,315</u>	<u>16,466,630</u>
<b>Net Position:</b>						
Net investment in capital assets	102,135,640	89,677,014	75,649,104	74,775,941	177,784,744	164,452,955
Restricted	60,534,709	49,903,706	-	-	60,534,709	49,903,706
Unrestricted	<u>(3,802,329)</u>	<u>(25,044,584)</u>	<u>42,182,188</u>	<u>35,439,812</u>	<u>38,379,859</u>	<u>10,395,228</u>
Total net position	<u>\$ 158,868,020</u>	<u>\$ 114,536,136</u>	<u>\$ 117,831,292</u>	<u>\$ 110,215,753</u>	<u>\$ 276,699,312</u>	<u>\$ 224,751,889</u>

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Lincoln County exceeded liabilities and deferred inflows of resources by \$276,699,312, as of June 30, 2024. The County's net position increased by \$51,947,423, for the fiscal year ended June 30, 2024. One of the largest portions, \$177,784,744, reflects the County's net investment in capital assets (e.g. land, buildings, machinery and equipment). Lincoln County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lincoln County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$60,534,709, represents resources that are subject to external restrictions on how they may be used.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99.37%.
- Long-term liabilities decreased due to normally scheduled debt payments. Also, in North Carolina counties issue debt for school construction, but school systems report the assets.
- An increase in ad valorem tax revenue with an increase in sales tax revenue due to a general increase in retail sales in the County, most likely due to online shopping due to the lingering effects of the pandemic.
- Continued low cost of debt due to the County's high bond rating.

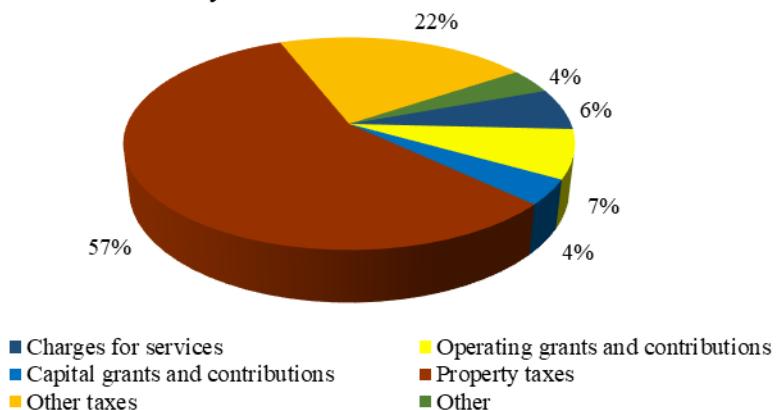
**Lincoln County's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 12,518,700	\$ 11,783,129	\$ 25,186,808	\$ 24,436,013	\$ 37,705,508	\$ 36,219,142
Operating grants and contributions	14,640,363	37,220,415	672,132	-	15,312,495	37,220,415
Capital grants and contributions	7,514,717	1,044,314	1,465,139	3,264,119	8,979,856	4,308,433
General revenues:						
Property taxes	112,554,691	90,844,156	135	415	112,554,826	90,844,571
Other taxes	42,537,737	41,744,638	-	-	42,537,737	41,744,638
Other	7,541,689	3,679,240	2,505,803	1,152,259	10,047,492	4,831,499
Total revenues	<u>197,307,897</u>	<u>186,315,892</u>	<u>29,830,017</u>	<u>28,852,806</u>	<u>227,137,914</u>	<u>215,168,698</u>
<b>Expenses:</b>						
General government	21,884,372	19,382,116	-	-	21,884,372	19,382,116
Public safety	60,753,607	53,210,555	-	-	60,753,607	53,210,555
Transportation	1,894,433	1,926,212	-	-	1,894,433	1,926,212
Economic and physical development	5,028,933	4,309,136	-	-	5,028,933	4,309,136
Culture and recreation	4,977,892	4,230,728	-	-	4,977,892	4,230,728
Education	33,341,874	29,253,570	-	-	33,341,874	29,253,570
Human services	22,448,229	22,733,273	-	-	22,448,229	22,733,273
Interest on long-term debt	1,996,673	2,258,730	-	-	1,996,673	2,258,730
Water and sewer	-	-	16,305,303	17,203,533	16,305,303	17,203,533
Solid waste	-	-	6,559,175	6,040,574	6,559,175	6,040,574
Total expenses	<u>152,326,013</u>	<u>137,304,320</u>	<u>22,864,478</u>	<u>23,244,107</u>	<u>175,190,491</u>	<u>160,548,427</u>
Change in net position before transfers	44,981,884	49,011,572	6,965,539	5,608,699	51,947,423	54,620,271
Transfers	<u>(650,000)</u>	<u>-</u>	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	44,331,884	49,011,572	7,615,539	5,608,699	51,947,423	54,620,271
<b>Net Position</b>						
Beginning of year - July 1	<u>114,536,136</u>	<u>65,524,564</u>	<u>110,215,753</u>	<u>104,607,054</u>	<u>224,751,889</u>	<u>170,131,618</u>
End of year - June 30	<u>\$ 158,868,020</u>	<u>\$ 114,536,136</u>	<u>\$ 117,831,292</u>	<u>\$ 110,215,753</u>	<u>\$ 276,699,312</u>	<u>\$ 224,751,889</u>

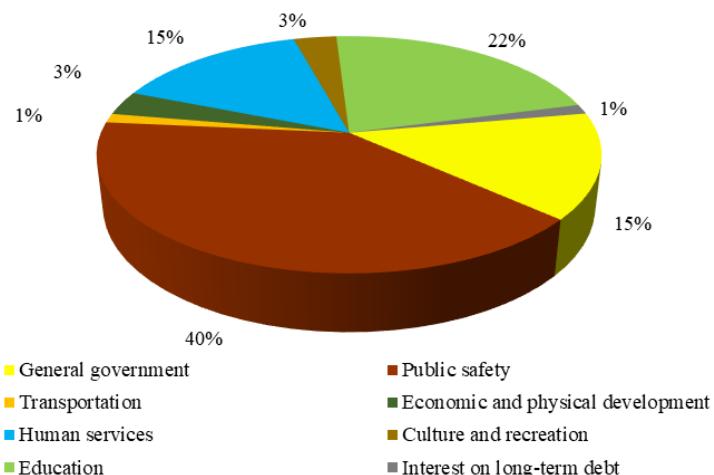
**Governmental Activities.** Governmental activities increased the County's net position by \$44,331,884. The key elements of this increase are as follows:

- The current year property taxes increased by 21,710,535, or 23.9%, compared to the prior year due to an increase in property values at revaluation, a tax rate increase and a collection rate of 99.37%.
- Increased capital grants and contributions of \$6,470,403, or 620%, this is due to increased grant funds available for local governments.
- Expenses for public safety increased by \$7,543,052 over the previous year.
- Lapsed salaries due to the highly competitive job market also influenced the positive net position.

Revenues by Source - Governmental Activities



Expenditures by Function - Governmental Activities



**Business-type Activities.** Business-type activities increased Lincoln County's net position by \$7,615,539. The business-type activities increase was primarily related to increased operating grants and contributions and increased investment revenue.

### Financial Analysis of the County's Fund

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

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

The General Fund is the chief operating fund of Lincoln County. At the end of the current fiscal year, available fund balance of the General Fund was \$72,675,356, while total fund balance was \$84,774,094. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 52.4% of total General Fund expenditures, while total fund balance represents 61.1% of the same amount. This percentage increase is the result of larger sales tax revenues, multiple grant awards, increased investment revenue and savings due to unfilled personnel positions.

The Special Grants Fund is used to account for financial resources to be used for activities required by various grantors. At the end of the current fiscal year, the total fund balance of the Special Grants Fund was \$1,976.769, a decrease of \$461.428. The decrease is due to completing several grants that were received over the past few years.

The Fire Districts Fund is used to account for ad valorem tax revenue received for each of the County's eleven fire districts. These funds are received when tax bills are paid and are remitted monthly to each of the districts. These funds are used by each of the fire districts to provide fire protection and emergency services to the communities.

The Capital Reserve Fund is used to account for financial resources to be used in the acquisition and construction of future capital projects within the County. At the end of the current fiscal year, total fund balance in the Capital Reserve Fund was \$25,259,885, an increase of \$4,161,935. This increase is due to a one-time increase in funding from the General Fund to offset proposed increases in construction on capital construction projects currently in the planning stages.

At June 30, 2024, the governmental funds of Lincoln County reported a combined fund balance of \$133,439,433 a 17.39% increase from last year.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget projections on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$9,194,261. The largest part of this increase, \$4,830,000, was to increase Education expenditures and increase Sales Tax revenues that are allotted to the Schools. The other increases were to account for grants, increased investment revenue and to carryover encumbered funds from the previous year in various departments.

**Proprietary Funds.** Lincoln County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water and Sewer Fund equaled \$41,579,034, and the Solid Waste Fund at the end of the fiscal year amounted to \$603,154. The total change in net position for the two funds was \$5,596,112 and \$2,019,427, respectively. The increase in the Water and Sewer Fund is primarily due to increases in charges for services from a rate increase, as well as capital contributions. Other factors concerning the finances of these funds have already been addressed in the discussion of Lincoln County's business-type activities.

## Capital Asset and Debt Administration

**Capital Assets.** Lincoln County's capital assets for its governmental and business-type activities as of June 30, 2024 totals \$305,718,484 (net of accumulated depreciation/amortization). These assets include land, buildings, water and sewer lines, treatment facilities, machinery and equipment, park facilities, vehicles and right to use assets for leases.

Major capital asset transactions during the year include:

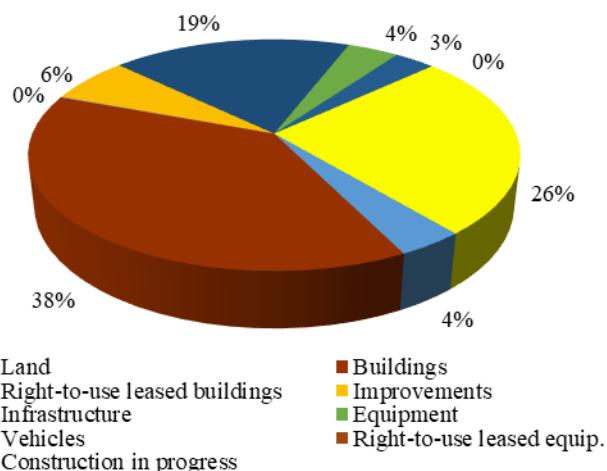
- The Emergency Services facility was nearly completed.
- Water Treatment Plant expansion was completed.
- Wastewater Treatment Plant expansion was nearly completed.

**Lincoln County's Capital Assets  
(net of depreciation/amortization)**

**Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 9,948,321	\$ 8,429,358	\$ 1,479,075	\$ 1,479,075	\$ 11,427,396	\$ 9,908,433
Buildings	94,277,291	54,407,425	21,816,814	23,152,696	116,094,105	77,560,121
Right-to-use leased buildings	430,272	475,689	-	-	430,272	475,689
Improvements	14,215,642	11,136,679	5,276,085	5,908,688	19,491,727	17,045,367
Infrastructure	-	-	57,439,103	50,356,523	57,439,103	50,356,523
Equipment	8,626,401	9,009,135	3,679,744	3,126,667	12,306,145	12,135,802
Vehicles	8,125,933	6,052,980	1,634,626	1,786,717	9,760,559	7,839,697
Right-to-use lease equipment	27,355	53,478	-	-	27,355	53,478
Construction in progress	28,803,899	60,126,944	49,937,923	54,624,913	78,741,822	114,751,857
Total	<u>\$ 164,455,114</u>	<u>\$ 149,691,688</u>	<u>\$ 141,263,370</u>	<u>\$ 140,435,279</u>	<u>\$ 305,718,484</u>	<u>\$ 290,126,967</u>

**Lincoln County's Total Capital Assets  
(net of depreciation/amortization)**



Additional information on the County's capital assets can be found in Note 4 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2024, Lincoln County had total general obligation bonded debt outstanding of \$13,772,000, all of which is debt backed by the full faith and credit of the County.

### **Lincoln County's Outstanding Debt**

#### **General Obligation Bonds** **Figure 5**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Direct placement general obligation bonds	<u>\$ 13,772,000</u>	<u>\$ 20,126,000</u>

Lincoln County's total general obligation bonded debt decreased by \$6,354,000, or 31.6%, during the past fiscal year, primarily due to paying off debt.

As of June 30, 2024, Lincoln County had total enterprise revenue bonded debt outstanding of \$37,000,000, all of which is debt backed by the revenues of the water and sewer utility system.

#### **Enterprise Revenue Bonds** **Figure 6**

	<b>Business-Type Activities</b>	
	<b>2024</b>	<b>2023</b>
Revenue bonds	<u>\$ 37,000,000</u>	<u>\$ 38,695,000</u>

Lincoln County's total enterprise revenue bonded debt decreased by \$1,695,000, during the past fiscal year, due to paying off debt.

As mentioned in the financial highlight section of this document, Lincoln County, through rating confirmations, earned an Aa1 bond rating from Moody's Investor Service and maintained an AA+ rating from Standard and Poor's Corporation, and an AAA rating from Fitch Ratings. Standard and Poor's Corporation (S&P) rated the County's Enterprise Fund Revenue Bonds at AA+. These bond ratings are a clear indication of the sound financial condition of Lincoln County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Lincoln County is approximately \$1,453,591,000.

Additional information regarding Lincoln County's long-term debt can be found in Note 5 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the County.

- The County's unemployment rate for 2023-2024 averaged approximately 3.5%, slightly lower than the State average of 3.8%.
- The Lincoln County Economic Development Association announced six new industrial investment activities which amount to over \$361,000,000 in new investment in the County.
- In March 2010, Site Selection Magazine ranked the Lincolnton and Lincoln County Micropolitan Area 4<sup>th</sup> nationally for its ability to secure new and expanded corporate facility projects.
- The County's proximity to Charlotte and major transportation corridors continue to make it attractive for development.
- The tax rate of \$0.499 per \$100 of valuation is the 4<sup>th</sup> lowest tax rate of adjoining counties and we have the 3<sup>rd</sup> lowest tax rate among similar counties in North Carolina.
- Lincoln County had the first LEED Certified (Silver) distribution center in North Carolina, built during 2009.

## **Budget Highlights for the Fiscal Year Ending June 30, 2025**

**Governmental Activities.** The County adopted a General Fund budget in the amount of \$159,050,474 for the fiscal year ending June 30, 2025, an increase of \$15,558,327, or 10.84%, from the fiscal year 2024 budget. The majority of the budget increases were in Public Safety and Education.

**Business-type Activities.** The Water and Sewer and Solid Waste funds have budgets that allow them to continue to be self-sufficient and provide necessary services for the citizens of the County.

## **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Lincoln County, PO Box 738, Lincolnton, North Carolina 28093.

## **BASIC FINANCIAL STATEMENTS**

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The Basic Financial Statements present a condensed overview of the financial position and results of operations of the County as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.

Included within the Basic Financial Statements are notes intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.

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## LINCOLN COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Lincoln County	Lincoln Community Friends
				ABC Board	
<b>Assets:</b>					
Cash and cash equivalents	\$ 139,253,580	\$ 59,919,486	\$ 199,173,066	\$ 2,133,832	\$ 48,258
Taxes receivable (net)	856,209	-	856,209	-	-
Accounts receivable (net)	2,269,200	1,657,628	3,926,828	-	-
Due from other governments	8,670,282	286,022	8,956,304	-	-
Inventory	-	-	-	1,006,780	-
Lease receivable, current	3,551	-	3,551	-	-
Prepaid items	227,230	-	227,230	11,631	-
Cash and cash equivalents, restricted	33,206,196	379,877	33,586,073	-	-
Net pension asset	128,352	-	128,352	-	-
Accounts receivable, non-current (net)	5,926,896	-	5,926,896	-	-
Lease receivable, non-current	2,688	-	2,688	-	-
Capital assets:					
Land, non-depreciable improvements, and construction in progress	38,752,220	51,416,998	90,169,218	2,177,160	-
Other assets, net of depreciation	125,702,894	89,846,372	215,549,266	1,916,456	-
Total capital assets	164,455,114	141,263,370	305,718,484	4,093,616	-
Total assets	354,999,298	203,506,383	558,505,681	7,245,859	48,258
<b>Deferred Outflows of Resources:</b>					
Pension deferrals	21,923,908	2,034,994	23,958,902	143,689	-
OPEB deferrals	5,489,459	542,914	6,032,373	-	-
Charge on refunding of debt	534,830	130,120	664,950	-	-
Total deferred outflows of resources	27,948,197	2,708,028	30,656,225	143,689	-
<b>Liabilities:</b>					
Accounts payable and other accrued liabilities	15,343,978	2,877,978	18,221,956	797,353	-
Advance from grantor	30,224,675	244,318	30,468,993	-	-
Liabilities to be paid from restricted assets:					
Accounts payable	64,222	-	64,222	-	-
Customer deposits	-	135,559	135,559	-	-
Long-term liabilities:					
Due within one year	18,570,333	4,437,391	23,007,724	-	-
Due in more than one year	149,609,038	79,791,787	229,400,825	204,655	-
Total liabilities	213,812,246	87,487,033	301,299,279	1,002,008	-
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	402,369	-	402,369	-	-
Leases	6,065	-	6,065	-	-
Pension deferrals	955,185	15,509	970,694	491	-
OPEB deferrals	8,903,610	880,577	9,784,187	-	-
Total deferred inflows of resources	10,267,229	896,086	11,163,315	491	-
<b>Net Position:</b>					
Net investment in capital assets	102,135,640	75,649,104	177,784,744	4,093,616	-
Restricted for Stabilization by State statute	54,045,066	-	54,045,066	-	-
Restricted for general government	732,937	-	732,937	-	-
Restricted for Register of Deeds' pension plan	128,352	-	128,352	-	-
Restricted for public safety	4,132,611	-	4,132,611	-	-
Restricted for transportation	774,237	-	774,237	-	-
Restricted for culture and recreation	504,789	-	504,789	-	-
Restricted for human services	216,717	-	216,717	-	-
Restricted for working capital	-	-	-	276,559	-
Unrestricted	(3,802,329)	42,182,188	38,379,859	2,016,874	48,258
Total net position	\$ 158,868,020	\$ 117,831,292	\$ 276,699,312	\$ 6,387,049	\$ 48,258

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

**LINCOLN COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs: Primary Government:	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>				
General government	\$ 21,884,372	\$ 2,314,755	\$ 579,048	\$ 2,108,120
Public safety	60,753,607	7,266,441	1,843,059	62,590
Transportation	1,894,433	981,923	616,098	807,955
Economic and physical development	5,028,933	267,978	318,503	-
Culture and recreation	4,977,892	195,404	299,327	2,741,837
Education	33,341,874	-	-	1,532,400
Human services	22,448,229	1,492,199	10,984,328	261,815
Interest and fees	1,996,673	-	-	-
Total governmental activities	<u>152,326,013</u>	<u>12,518,700</u>	<u>14,640,363</u>	<u>7,514,717</u>
<b>Business-Type Activities:</b>				
Water and sewer	16,305,303	18,526,351	-	1,465,139
Solid waste	6,559,175	6,660,457	672,132	-
Total business-type activities	<u>22,864,478</u>	<u>25,186,808</u>	<u>672,132</u>	<u>1,465,139</u>
Total primary government	<u>\$ 175,190,491</u>	<u>\$ 37,705,508</u>	<u>\$ 15,312,495</u>	<u>\$ 8,979,856</u>
<b>Component Units:</b>				
Lincoln County ABC Board	\$ 6,341,749	\$ 7,650,753	\$ -	\$ -
Lincoln Community Friends	-	-	5,000	-
Total component units	<u>\$ 6,341,749</u>	<u>\$ 7,650,753</u>	<u>\$ 5,000</u>	<u>\$ -</u>

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

**LINCOLN COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Net (Expense)Revenue and Changes in Net Position</b>			<b>Component Units</b>	
	<b>Primary Government</b>			<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Lincoln County ABC Board</b>	<b>Lincoln Community Friends</b>
<b>Functions/Programs:</b>					
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ (16,882,449)	\$ -	\$ (16,882,449)		
Public safety	(51,581,517)	-	(51,581,517)		
Transportation	511,543	-	511,543		
Economic and physical development	(4,442,452)	-	(4,442,452)		
Culture and recreation	(1,741,324)	-	(1,741,324)		
Education	(31,809,474)	-	(31,809,474)		
Human services	(9,709,887)	-	(9,709,887)		
Interest and fees	(1,996,673)	-	(1,996,673)		
Total governmental activities	<u>(117,652,233)</u>	<u>-</u>	<u>(117,652,233)</u>		
<b>Business-Type Activities:</b>					
Water and sewer	-	3,686,187	3,686,187		
Solid waste	-	773,414	773,414		
Total business-type activities	<u>-</u>	<u>4,459,601</u>	<u>4,459,601</u>		
Total primary government	<u>\$ (117,652,233)</u>	<u>\$ 4,459,601</u>	<u>\$ (113,192,632)</u>		
<b>Component Units:</b>					
Lincoln County ABC Board				\$ 1,309,004	\$ -
Lincoln Community Friends				<u>-</u>	<u>5,000</u>
Total component units				<u>\$ 1,309,004</u>	<u>\$ 5,000</u>
<b>General Revenues:</b>					
Ad valorem taxes	112,554,691	135	112,554,826	-	-
Local option sales tax	39,821,282	-	39,821,282	-	-
Utility franchise tax	179,939	-	179,939	-	-
Real estate transfer tax	2,082,289	-	2,082,289	-	-
Other taxes	454,227	-	454,227	-	-
Unrestricted intergovernmental	392,434	-	392,434	-	-
Investment earnings	7,149,255	2,505,803	9,655,058	15,281	-
Total general revenues excluding transfers	<u>162,634,117</u>	<u>2,505,938</u>	<u>165,140,055</u>	<u>15,281</u>	<u>-</u>
Transfers	(650,000)	650,000	-	-	-
Total general revenues and transfers	<u>161,984,117</u>	<u>3,155,938</u>	<u>165,140,055</u>	<u>15,281</u>	<u>-</u>
Change in net position	44,331,884	7,615,539	51,947,423	1,324,285	5,000
Net position, beginning	114,536,136	110,215,753	224,751,889	5,062,764	43,258
Net position, ending	<u>\$ 158,868,020</u>	<u>\$ 117,831,292</u>	<u>\$ 276,699,312</u>	<u>\$ 6,387,049</u>	<u>\$ 48,258</u>

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

**LINCOLN COUNTY, NORTH CAROLINA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fire Districts Fund</b>	<b>Special Grants Fund</b>	<b>Capital Reserve Fund</b>	<b>Other Governmental Funds</b>	
<b>Assets:</b>						
Cash and cash equivalents	\$ 84,395,901	\$ 1,948,889	\$ 2,247,226	\$ 25,250,243	\$ 18,817,811	\$ 132,660,070
Taxes receivable, net	725,964	130,245	-	-	-	856,209
Accounts receivable, net	1,445,539	29	12,024	9,642	6,726,345	8,193,579
Due from other governments	8,019,393	117,902	292,479	-	240,508	8,670,282
Lease receivable	6,239	-	-	-	-	6,239
Prepaid items	205,830	-	-	-	-	205,830
Cash and cash equivalents, restricted	-	-	28,624,675	-	4,581,521	33,206,196
<b>Total assets</b>	<b>\$ 94,798,866</b>	<b>\$ 2,197,065</b>	<b>\$ 31,176,404</b>	<b>\$ 25,259,885</b>	<b>\$ 30,366,185</b>	<b>\$ 183,798,405</b>
<b>Liabilities:</b>						
Accounts payable and other accrued liabilities	\$ 8,508,730	\$ 2,066,820	\$ 574,960	\$ -	\$ 538,060	\$ 11,688,570
Advance from grantor	-	-	28,624,675	-	1,600,000	30,224,675
Liabilities to be paid from restricted assets:						
Accounts payable	-	-	-	-	64,222	64,222
<b>Total liabilities</b>	<b>8,508,730</b>	<b>2,066,820</b>	<b>29,199,635</b>	<b>-</b>	<b>2,202,282</b>	<b>41,977,467</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable taxes	725,964	130,245	-	-	-	856,209
Leases	6,065	-	-	-	-	6,065
Prepaid taxes	402,369	-	-	-	-	402,369
Unavailable revenue	411,644	-	-	-	6,705,218	7,116,862
<b>Total deferred inflows of resources</b>	<b>1,546,042</b>	<b>130,245</b>	<b>-</b>	<b>-</b>	<b>6,705,218</b>	<b>8,381,505</b>
<b>Fund Balances:</b>						
Non-spendable:						
Prepaid items	205,830	-	-	-	-	205,830
Leases	174	-	-	-	-	174
Restricted:						
Stabilization by State statute	11,862,734	117,931	8,159,016	9,642	33,895,743	54,045,066
General government	-	-	732,937	-	-	732,937
Public safety	2,106,649	-	146,429	-	2,377,218	4,630,296
Transportation	-	-	774,237	-	-	774,237
Culture and recreation	-	-	504,789	-	-	504,789
Human services	218,248	-	10,695	-	1,292,247	1,521,190
Committed	6,131,049	-	-	25,250,243	3,055,207	34,436,499
Assigned	28,244,083	-	-	-	-	28,244,083
Unassigned	35,975,327	(117,931)	(8,351,334)	-	(19,161,730)	8,344,332
<b>Total fund balances</b>	<b>84,744,094</b>	<b>-</b>	<b>1,976,769</b>	<b>25,259,885</b>	<b>21,458,685</b>	<b>133,439,433</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 94,798,866</b>	<b>\$ 2,197,065</b>	<b>\$ 31,176,404</b>	<b>\$ 25,259,885</b>	<b>\$ 30,366,185</b>	

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

**LINCOLN COUNTY, NORTH CAROLINA**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	<b>Total Governmental Funds</b>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total Fund Balance, Governmental Funds	133,439,433
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	163,997,487
Right to use assets, net of accumulated amortization, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	457,627
Deferred charges related to advance refunding of long-term debt are not current financial resources and, therefore, are not reported in the funds.	
Deferred cost of refunding	\$ 1,722,743
Less accumulated amortization	<u>(1,187,913)</u>
	534,830
Net pension asset - ROD	128,352
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	5,882,095
Total pension liability - LEOSSA	(4,457,442)
Net pension liability - LGERS	(34,134,810)
Total OPEB liability	(47,434,232)
Pension related deferrals	15,086,628
OPEB related deferrals	(3,414,151)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(82,152,887)
Accrual of interest payable for debt reported in the Statement of Net Position does not require the use of current financial resources and, therefore, is not reported in the funds.	(249,753)
Deferred inflows in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end.	7,973,071
An Internal Service Fund is used by management to charge insurance costs to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	<u>3,211,772</u>
Net position of governmental activities, per Exhibit A	<u>\$ 158,868,020</u>

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

## LINCOLN COUNTY, NORTH CAROLINA

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

	Major Funds				Formerly Major Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Fire Districts Fund	Special Grants Fund	Capital Reserve Fund			
<b>Revenues:</b>							
Ad valorem taxes	\$ 94,471,344	\$ 17,857,976	\$ -	\$ -	\$ -	\$ -	\$ 112,329,320
Local option sales taxes	39,821,282	-	-	-	-	-	39,821,282
Other taxes and licenses	2,716,455	-	-	-	-	-	2,716,455
Unrestricted intergovernmental revenues	392,434	-	-	-	-	-	392,434
Restricted intergovernmental revenues	12,220,528	-	7,214,160	-	-	3,814,139	23,248,827
Permits and fees	3,062,764	-	-	-	-	-	3,062,764
Sales and service	8,069,491	-	52,394	-	-	-	8,121,885
Miscellaneous	1,660,476	-	-	-	-	-	1,660,476
Investment earnings	4,402,693	-	825,750	1,016,935	-	696,078	6,941,456
Total revenues	<u>166,817,467</u>	<u>17,857,976</u>	<u>8,092,304</u>	<u>1,016,935</u>	-	<u>4,510,217</u>	<u>198,294,899</u>
<b>Expenditures:</b>							
Current:							
General government	18,673,008	-	3,241,144	-	-	-	21,914,152
Public safety	42,125,244	17,857,976	62,825	-	-	361,193	60,407,238
Transportation	1,553,385	-	2,045,144	-	-	-	3,598,529
Economic and physical development	3,391,592	-	252,159	-	-	-	3,643,751
Culture and recreation	3,882,251	-	2,998,313	-	-	-	6,880,564
Education	33,341,874	-	-	-	-	-	33,341,874
Human services	21,310,543	-	492,377	-	-	197,716	22,000,636
Capital outlay	-	-	-	-	-	9,822,541	9,822,541
Debt service:							
Principal repayments	12,054,292	-	-	-	-	-	12,054,292
Interest	2,413,357	-	-	-	-	-	2,413,357
Total expenditures	<u>138,745,546</u>	<u>17,857,976</u>	<u>9,091,962</u>	-	-	<u>10,381,450</u>	<u>176,076,934</u>
Revenues over (under) expenditures	<u>28,071,921</u>	-	<u>(999,658)</u>	<u>1,016,935</u>	-	<u>(5,871,233)</u>	<u>22,217,965</u>
<b>Other Financing Sources (Uses):</b>							
Transfers from other funds	500,000	-	538,230	3,145,000	-	9,900,000	14,083,230
Transfers to other funds	(15,533,230)	-	-	-	-	(1,000,000)	(16,533,230)
Total other financing sources (uses)	<u>(15,033,230)</u>	-	<u>538,230</u>	<u>3,145,000</u>	-	<u>8,900,000</u>	<u>(2,450,000)</u>
Net change in fund balances	13,038,691	-	(461,428)	4,161,935	-	3,028,767	19,767,965
<b>Fund balances, as previously presented</b>	<u>71,705,403</u>	-	<u>2,438,197</u>	<u>21,097,950</u>	<u>789,289</u>	<u>17,640,629</u>	<u>113,671,468</u>
Change within financial reporting entity							
- major to nonmajor fund	-	-	-	-	(789,289)	789,289	-
Fund balances, beginning, restated	<u>71,705,403</u>	-	<u>2,438,197</u>	<u>21,097,950</u>	-	<u>18,429,918</u>	<u>113,671,468</u>
<b>Fund balances, ending</b>	<u>\$ 84,744,094</u>	<u>\$ -</u>	<u>\$ 1,976,769</u>	<u>\$ 25,259,885</u>	<u>\$ -</u>	<u>\$ 21,458,685</u>	<u>\$ 133,439,433</u>

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

**LINCOLN COUNTY, NORTH CAROLINA**

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

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit D) \$ 19,767,965

Capital outlays and right to use assets are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay and right to use assets are not expenses, rather they are an increase in assets. 21,971,410

Depreciation and amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (5,681,694)

Capital assets disposed of during the year not recognized on the modified accrual basis. (1,526,290)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 5,759,388

Benefit payments and administrative costs for LEOSSA are not included on the Statement of Activities 122,707

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities 1,779,744

Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

Property taxes	225,371
Opioid settlement funds	(1,304,473)
Other fees for service	(115,697)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences	(162,311)
Pension expense	(10,548,686)
OPEB plan expense	379,408

Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. 12,054,292

Accrued interest and amortization of refunding costs and premiums and amortized expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement. 285,177

The net revenue of certain activities of the Internal Service Fund is reported with governmental activities. 1,325,573

Change in net position of governmental activities \$ 44,331,884

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

## LINCOLN COUNTY, NORTH CAROLINA

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

	General Fund				Fire Districts Fund				Variance with Final Budget Over/Under	
	Budgeted Amounts		Actual	Budget Over/Under	Budgeted Amounts		Actual	Budget Over/Under		
	Original	Final			Original	Final				
<b>Revenues:</b>										
Ad valorem taxes	\$ 91,168,700	\$ 91,168,700	\$ 94,471,344	\$ 3,302,644	\$ 17,226,747	\$ 18,391,747	\$ 17,857,976	\$ (533,771)		
Local option sales taxes	27,100,000	31,930,000	39,821,282	7,891,282	-	-	-	-		
Other taxes and licenses	1,511,000	2,011,000	2,716,455	705,455	-	-	-	-		
Unrestricted intergovernmental revenues	300,000	300,000	392,434	92,434	-	-	-	-		
Restricted intergovernmental revenues	12,350,259	13,334,330	12,220,528	(1,113,802)	-	-	-	-		
Permits and fees	2,835,200	2,859,900	3,062,764	202,864	-	-	-	-		
Sales and service	5,578,388	5,878,558	8,069,491	2,190,933	-	-	-	-		
Miscellaneous	860,800	1,046,075	1,660,476	614,401	-	-	-	-		
Investment earnings	200,000	2,570,045	4,402,693	1,832,648	-	-	-	-		
Total revenues	141,904,347	151,098,608	166,817,467	15,718,859	17,226,747	18,391,747	17,857,976	(533,771)		
<b>Expenditures:</b>										
Current:										
General government	17,846,047	20,399,548	18,673,008	1,726,540	-	-	-	-		
Public safety	43,594,218	47,884,017	42,125,244	5,758,773	17,226,747	18,391,747	17,857,976	533,771		
Transportation	1,830,958	1,832,743	1,553,385	279,358	-	-	-	-		
Economic and physical development	3,372,351	3,912,788	3,391,592	521,196	-	-	-	-		
Culture and recreation	4,308,043	4,480,378	3,882,251	598,127	-	-	-	-		
Education	31,159,786	33,659,786	33,341,874	317,912	-	-	-	-		
Human services	22,648,023	24,061,528	21,310,543	2,750,985	-	-	-	-		
Debt service:										
Principal	12,017,313	12,085,313	12,054,292	31,021	-	-	-	-		
Interest and fees	2,410,408	2,426,968	2,413,357	13,611	-	-	-	-		
Total expenditures	139,187,147	150,743,069	138,745,546	11,997,523	17,226,747	18,391,747	17,857,976	533,771		
Revenues over (under) expenditures	2,717,200	355,539	28,071,921	27,716,382	-	-	-	-		
<b>Other Financing Sources (Uses):</b>										
Transfers from other funds	500,000	500,000	500,000	-	-	-	-	-		
Transfers to other funds	(4,305,000)	(15,589,805)	(15,533,230)	56,575	-	-	-	-		
Fund balance appropriated	1,087,800	14,734,266	-	(14,734,266)	-	-	-	-		
Total other financing sources (uses)	(2,717,200)	(355,539)	(15,033,230)	(14,677,691)	-	-	-	-		
Net change in fund balance	\$ -	\$ -	13,038,691	\$ 13,038,691	\$ -	\$ -	-	\$ -		
<b>Fund balance, beginning of year</b>			71,705,403					-		
<b>Fund balance, end of year</b>			\$ 84,744,094					\$ -		

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

## LINCOLN COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Business-Type Activities			
	Water and Sewer Fund	Solid Waste Fund	Total Enterprise Funds	Internal Service Funds
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 46,188,460	\$ 13,731,026	\$ 59,919,486	\$ 6,593,510
Accounts receivable, net	1,442,183	215,445	1,657,628	2,517
Due from other governments	241,658	44,364	286,022	-
Prepaid items	-	-	-	21,400
Cash and cash equivalents, restricted	132,925	246,952	379,877	-
Total current assets	<u>48,005,226</u>	<u>14,237,787</u>	<u>62,243,013</u>	<u>6,617,427</u>
Capital assets:				
Non-depreciable capital assets	50,089,957	1,327,041	51,416,998	-
Depreciable capital assets, net	81,458,332	8,388,040	89,846,372	-
Total non-current assets	<u>131,548,289</u>	<u>9,715,081</u>	<u>141,263,370</u>	<u>-</u>
Total assets	<u>179,553,515</u>	<u>23,952,868</u>	<u>203,506,383</u>	<u>6,617,427</u>
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	1,356,663	678,331	2,034,994	-
OPEB deferrals	361,943	180,971	542,914	-
Deferred charges, net	130,120	-	130,120	-
Total deferred outflows of resources	<u>1,848,726</u>	<u>859,302</u>	<u>2,708,028</u>	<u>-</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and other accrued liabilities	1,955,836	922,142	2,877,978	3,405,655
Advance from grantor	-	244,318	244,318	-
Current portion of compensated absences	118,715	52,151	170,866	-
Current portion net pension liability	379,145	189,572	568,717	-
Current portion OPEB liability	117,346	58,673	176,019	-
Current portion of long-term debt	3,009,698	512,091	3,521,789	-
Liabilities to be paid from restricted assets:				
Customer deposits	132,925	2,634	135,559	-
Total current liabilities	<u>5,713,665</u>	<u>1,981,581</u>	<u>7,695,246</u>	<u>3,405,655</u>
Non-current liabilities:				
Accrued landfill closure/post-closure care costs	-	10,230,087	10,230,087	-
Compensated absences	91,873	54,818	146,691	-
Net pension liability	1,871,502	935,751	2,807,253	-
Total OPEB liability	3,010,186	1,505,093	4,515,279	-
Long-term debt	60,059,330	2,033,147	62,092,477	-
Total non-current liabilities	<u>65,032,891</u>	<u>14,758,896</u>	<u>79,791,787</u>	<u>-</u>
Total liabilities	<u>70,746,556</u>	<u>16,740,477</u>	<u>87,487,033</u>	<u>3,405,655</u>
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	10,339	5,170	15,509	-
OPEB deferrals	587,051	293,526	880,577	-
Total deferred inflows of resources	<u>597,390</u>	<u>298,696</u>	<u>896,086</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	68,479,261	7,169,843	75,649,104	-
Unrestricted	41,579,034	603,154	42,182,188	3,211,772
Total net position	<u>\$ 110,058,295</u>	<u>\$ 7,772,997</u>	<u>\$ 117,831,292</u>	<u>\$ 3,211,772</u>

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

## LINCOLN COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities			
	Water and Sewer Fund	Solid Waste Fund	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenues:</b>				
Charges for services	\$ 18,075,857	\$ 1,156,650	\$ 19,232,507	\$ -
Water and sewer taps	320,515	-	320,515	-
Availability fee	-	5,174,598	5,174,598	-
Other operating revenues	129,979	7,414	137,393	11,321,390
Total operating revenues	<u>18,526,351</u>	<u>6,338,662</u>	<u>24,865,013</u>	<u>11,321,390</u>
<b>Operating Expenses:</b>				
Water treatment and maintenance	6,883,612	-	6,883,612	-
Sewage collection	4,418,895	-	4,418,895	-
Landfill and Convenient Site operations	-	4,592,445	4,592,445	-
Landfill closure and post-closure costs	-	731,850	731,850	-
Other services	-	-	-	12,003,616
Depreciation	3,664,243	1,204,803	4,869,046	-
Total operating expenses	<u>14,966,750</u>	<u>6,529,098</u>	<u>21,495,848</u>	<u>12,003,616</u>
Operating income (loss)	<u>3,559,601</u>	<u>(190,436)</u>	<u>3,369,165</u>	<u>(682,226)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Ad valorem taxes	135	-	135	-
Investment earnings	1,909,790	596,013	2,505,803	207,799
Gain(Loss) on disposal of capital assets	-	38,144	38,144	-
Tire disposal tax	-	176,922	176,922	-
Franchise fees	-	39,908	39,908	-
Solid waste disposal tax	-	84,665	84,665	-
NC electronics management fund distribution	-	20,300	20,300	-
Federal and State grants, non-capital	-	672,132	672,132	-
Interest and fees	(1,338,553)	(68,221)	(1,406,774)	-
Total non-operating revenues (expenses)	<u>571,372</u>	<u>1,559,863</u>	<u>2,131,235</u>	<u>207,799</u>
Income (loss) before contributions and transfers	<u>4,130,973</u>	<u>1,369,427</u>	<u>5,500,400</u>	<u>(474,427)</u>
Capital contributions	1,465,139	-	1,465,139	-
Transfers from other funds	-	650,000	650,000	1,800,000
Change in net position	5,596,112	2,019,427	7,615,539	1,325,573
<b>Net position, beginning</b>	<u>104,462,183</u>	<u>5,753,570</u>	<u>110,215,753</u>	<u>1,886,199</u>
<b>Net position, ending</b>	<u><u>\$ 110,058,295</u></u>	<u><u>\$ 7,772,997</u></u>	<u><u>\$ 117,831,292</u></u>	<u><u>\$ 3,211,772</u></u>

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

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Business-Type Activities</b>			
	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 18,682,055	\$ 6,390,668	\$ 25,072,723	\$ 11,322,009
Cash paid for goods and services	(7,370,433)	(1,224,585)	(8,595,018)	(11,717,131)
Cash paid on behalf of employees	(4,409,416)	(2,565,462)	(6,974,878)	-
Net cash provided (used) by operating activities	<u>6,902,206</u>	<u>2,600,621</u>	<u>9,502,827</u>	<u>(395,122)</u>
<b>Cash flows from noncapital financing activities:</b>				
Ad valorem taxes	135	-	135	-
Tire disposal tax	-	176,922	176,922	-
Franchise fees	-	39,908	39,908	-
Solid waste disposal tax	-	84,665	84,665	-
NC electronics management fund distribution	-	20,300	20,300	-
Transfers in	-	650,000	650,000	1,800,000
Net cash provided by non-capital financing activities	<u>135</u>	<u>971,795</u>	<u>971,930</u>	<u>1,800,000</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(3,085,659)	(1,146,339)	(4,231,998)	-
Debt issued	3,428,787	-	3,428,787	-
Debt principal paid	(3,065,702)	(504,091)	(3,569,793)	-
Interest and fees paid	(1,338,553)	(68,221)	(1,406,774)	-
Proceeds from sale of assets	-	38,144	38,144	-
Net cash (used) by capital and related financing activities	<u>(4,061,127)</u>	<u>(1,680,507)</u>	<u>(5,741,634)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	<u>1,909,790</u>	<u>596,013</u>	<u>2,505,803</u>	<u>207,799</u>
Net increase in cash and cash equivalents	<u>4,751,004</u>	<u>2,487,922</u>	<u>7,238,926</u>	<u>1,612,677</u>
<b>Cash and cash equivalents - beginning</b>	<u>41,570,381</u>	<u>11,490,056</u>	<u>53,060,437</u>	<u>4,980,833</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 46,321,385</u></u>	<u><u>\$ 13,977,978</u></u>	<u><u>\$ 60,299,363</u></u>	<u><u>\$ 6,593,510</u></u>

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

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Business-Type Activities</b>			
	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 3,559,601	\$ (190,436)	\$ 3,369,165	\$ (682,226)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation	3,664,243	1,204,803	4,869,046	-
Amortization of deferred debt premium	(421,176)	-	(421,176)	-
Amortization of deferred charges of debt issuances	12,422	-	12,422	-
Landfill closure and postclosure care costs	-	731,850	731,850	-
<b>Change in assets, liabilities, and deferred outflows and inflows of resources:</b>				
(Increase) in receivables	(14,802)	(58,059)	(72,861)	619
Decrease in due from other governments	164,356	110,246	274,602	-
Decrease in prepaid items	754	1,784	2,538	(11,400)
(Increase) in deferred outflows-pension	(91,712)	(45,856)	(137,568)	-
Decrease in deferred outflows-OPEB	163,774	81,888	245,662	-
Increase in net pension liability	385,760	192,880	578,640	-
(Decrease) in net OPEB liability	(10,288)	(5,144)	(15,432)	-
(Decrease) in deferred inflows - pension	(7,420)	(3,709)	(11,129)	-
(Decrease) in deferred inflows - OPEB	(295,848)	(147,924)	(443,772)	-
Increase (decrease) in accounts payable	(254,071)	720,462	466,391	297,885
Increase (decrease) in customer deposits	6,150	(181)	5,969	-
Increase in compensated absences payable	40,463	8,017	48,480	-
Total adjustments	3,342,605	2,791,057	6,133,662	287,104
Net cash provided (used) by operating activities	\$ 6,902,206	\$ 2,600,621	\$ 9,502,827	\$ (395,122)
<b>Non-cash investing, capital, and financing activities:</b>				
Contributed depreciable assets, net of accumulated depreciation	\$ 1,465,139	\$ -	\$ 1,465,139	\$ -

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

## LINCOLN COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2024

	<b>Custodial Funds</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 192,960
Taxes receivable for other governments, net	87,019
Accounts receivable, net	2,877
Due from other governments	64,462
<b>Total assets</b>	<b><u>347,318</u></b>
<b>Liabilities:</b>	
Accounts payable and other accrued liabilities	107,357
<b>Total liabilities</b>	<b><u>107,357</u></b>
<b>Net Position:</b>	
Restricted:	
Individuals, organizations, and other governments	239,961
<b>Total net position</b>	<b><u>\$ 239,961</u></b>

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

## LINCOLN COUNTY, NORTH CAROLINA

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

	<b>Custodial Funds</b>
<b>Additions:</b>	
Ad valorem taxes for other governments	\$ 7,901,005
Collections of gathered evidence	21,226
Collections of executed court orders	141,597
Collections on behalf of inmates	203,796
Total additions	<u>8,267,624</u>
<b>Deductions:</b>	
Tax distributions to other governments	7,871,122
Distribution of gathered evidence	38,445
Distribution of executed court orders	139,371
Payments on behalf of inmates	201,399
Total deductions	<u>8,250,337</u>
Net change in fiduciary net position	17,287
<b>Net Position, beginning</b>	<u>222,674</u>
<b>Net Position, ending</b>	<u>\$ 239,961</u>

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

# **LINCOLN COUNTY, NORTH CAROLINA**

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

### **Note 1. Summary of Significant Accounting Policies**

The accounting policies of Lincoln County (the “County”) and its component units conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

#### **A. Reporting Entity**

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. 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. The discretely presented component units are reported in separate columns in the County’s government-wide financial statements in order to emphasize that it is legally separate from the County. The blended component unit, although it is a legally separate entity, is in substance, part of the County’s operations.

#### **Component Units**

##### **Discretely Presented Component Units**

###### **Lincoln County ABC Board**

The members of the governing body of the Lincoln County ABC Board (the “ABC Board”) are appointed by the County. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from Huggins & Co., PO Box 680668, Charlotte, North Carolina 28216.

###### **Lincoln Community Friends**

Lincoln Community Friends, a 501(c)(3) corporation, was founded to obtain grants for Lincoln County. Lincoln Community Friends is made up of a nine-member Board, all of whom are appointed by the County Commissioners. The county can remove any member of the entity with or without cause. Lincoln Community Friends does not issue separate financial statements.

#### **B. 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, although 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.

# LINCOLN COUNTY, NORTH CAROLINA

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

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

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

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

The County reports the following major governmental funds:

**General Fund.** The General Fund is the primary operating fund of the County. It is used to account for all financial resources of the general government, except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, Federal and State grants, and user fees. The primary expenditures are for public safety, economic and physical development, human services, cultural and recreational, transportation, education, and general governmental services. Debt service payments of general long-term debt are accounted for in the General Fund.

**Special Grants Fund.** The Special Grants Fund is used to account for Federal and State grants that have been awarded to the County. This fund contains ARPA Funds and several smaller State and Federal grants.

**Capital Reserve Fund.** The Capital Reserve Fund is a legally adopted Capital Reserve Fund and is used to account for financial resources to be used for the acquisition and construction of specific major capital facilities (other than those financed by proprietary funds and trust funds).

**Fire Districts Fund.** The Fire Districts Fund is used to account for tax collections and disbursements for the County's eleven fire districts.

The County reports the following non-major governmental funds:

**Special Revenue Funds.** Special revenue funds are used to account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for

# LINCOLN COUNTY, NORTH CAROLINA

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

specified purposes. The County has the following non-major special revenue funds: the Opioid Settlement Fund, the Law Enforcement Fund, the Federal Law Enforcement Fund, the Emergency Telephone Systems Fund and the Representative Payee Fund.

**Capital Projects Funds.** Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The County has the following nonmajor capital projects funds: the School Capital Reserve Fund and the General Capital Projects Fund. The School Capital Reserve Fund is a legally adopted Capital Reserve Funds under North Carolina General Statutes. However, for statement presentation, in accordance with GASB Statement No. 54, the School Capital Reserve Fund is presented as a Capital Projects Funds. The budgetary comparison for the School Capital Reserve Fund, the School Capital Projects Fund and the General Capital Projects Fund have been included in the supplemental information.

The County reports all of its enterprise funds as major:

**Enterprise Funds.** Lincoln County has the following enterprise funds: the Water and Sewer Fund and the Solid Waste Fund. In addition, the Water and Sewer Capital Projects Fund is consolidated with the Water and Sewer Fund for financial reporting purposes. The enterprise funds are used to account for those operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The County reports the following fund types:

**Internal Service Funds.** Internal service funds account for operations that provide services to other departments or agencies of the government or to other governments on a cost reimbursement basis. Lincoln County has two internal service funds: the Health Insurance Fund and the Workers' Compensation Fund.

**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 Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the county for the Municipality within the County, but that are not revenues of the County; the Sheriff Evidence Fund, which holds evidence monies until their disposition after court proceedings; the Sheriff Execution Fund, which accounts for funds seized by the Sheriff's Department at the direction of the legal system; and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

# **LINCOLN COUNTY, NORTH CAROLINA**

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

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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, property taxes are recognized as revenues in the year for which they are levied. Grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes receivable is not accrued as revenue in the governmental funds statement 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.

# **LINCOLN COUNTY, NORTH CAROLINA**

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

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 revenues. Other 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.

### **D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, Capital Reserve Funds, enterprise funds and special revenue funds, except for three special revenue funds – Representative Payee Fund, Opioid Settlement Fund and Special Grants Fund. All unencumbered annual appropriations lapse at fiscal year-end. However, encumbered appropriations are re-appropriated in the ensuing year's budget. Project ordinances are adopted for the capital project funds and three special revenue funds – Representative Payee Fund, Opioid Settlement Fund and Special Grants Fund. All budgets are prepared using the modified accrual basis of accounting.

The lowest level that the budget is legally adopted is at the functional level for the General Fund, special revenue funds, and enterprise funds, and at the project level for the capital project funds. Expenditures may not legally exceed appropriations at the functional level for the General Fund, special revenue funds, and enterprise funds and at the project level for the capital project funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The County Manager may transfer up to \$50,000 between functions of the same fund. Such transfers must be reported at the next regular meeting of the Board of County Commissioners.

A budget calendar is included in State law that prescribes the last day on which certain steps of the budget process are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 – Each department manager will transmit to the Budget Officer the departmental budget requests and revenue estimates for the current year.

June 1 – The budget and budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.

July 1 – The budget ordinance shall be adopted by the governing board.

Also, as required by State law, the County's Health Insurance Fund and the Workers' Compensation Insurance Fund, intra-governmental service funds, operate under a financial plan that was adopted by the governing board at the time the County's budget ordinance was approved. The financial plan was also

# LINCOLN COUNTY, NORTH CAROLINA

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

entered into the minutes of the governing board. During the year, some changes to the original financial plan were necessary.

### **E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity**

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

State law [G.S. 150-30] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both 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, the North Carolina Capital Management Trust (NCCMT), and the North Carolina Cooperative Liquid Assets Securities System (North Carolina CLASS). The County's investments are carried at fair value as determined by quoted market prices. The NCCMT is authorized by G.S 159-30. The NCCMT is an SEC registered (2a-7) money market fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries, and is rated AAAm by S&P and AAA-mf by Moody's Investor Services. The Government Portfolio is reported at fair value.

The North Carolina Cooperative Liquid Assets Securities System (NC CLASS) is an investment pool authorized by North Carolina General Statutes Section 159-30(c)(10) and was established by an Interlocal Agreement dated March 1, 2023, as amended, by the local governments pursuant to Section 160A-460 through Section 160A-464. The investments within North Carolina CLASS are limited to those qualifying for investment under Section 159-30(c). North Carolina CLASS has been rated AAAm by S & P.

A central cash depository is maintained by the County 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.

*Accounts Receivable and Payable.* Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

*Ad Valorem Taxes Receivable.* In accordance with North Carolina G.S. 105.347 and G.S. 159-13(a), the County levies ad valorem taxes on all real and personal property sited within the County. Other than taxes

# LINCOLN COUNTY, NORTH CAROLINA

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

on motor vehicles, taxes are levied on July 1 of the fiscal year and are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

*Restricted Assets.* Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The unexpended bond proceeds are classified as restricted assets, because their use is completely restricted to the purpose for which the bonds were originally issued. Unearned revenue, prepaid grants are grants awarded and paid to the County before grant activities have commenced. Unexpended settlement proceeds are classified as restricted assets because these funds have been awarded to the County and the use is completely restricted by the agreement between the State of North Carolina and the pharmaceutical companies involved in the opioid litigation.

<b>Fund</b>	<b>Description</b>	<b>Amount</b>
General Capital Projects Fund	Unexpended proceeds	\$ 2,148,226
Special Revenue - Special Grants Fund	Unearned revenue, prepaid grant	28,624,675
Special Revenue - Opioid Settlement Fund	Unexpended settlement proceeds	2,433,295
Water and Sewer Fund	Customer deposits	132,925
Solid Waste Fund	Customer deposits	2,634
Solid Waste Fund	Unearned revenue, prepaid grant	244,318
Total restricted cash		<u>\$ 33,586,073</u>

*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.

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

*Inventory.* The inventory of the ABC Board is valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for resale and is reported at lower of cost or market.

*Prepaid Items.* Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items for the County's governmental funds are treated using the consumption method.

# **LINCOLN COUNTY, NORTH CAROLINA**

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

**Capital Assets.** Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Lincoln County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education after all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Lincoln 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) in accordance with the requirements of GASB 87.

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.

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

<b>Asset</b>	<b>Years</b>
Buildings	25-50 years
Infrastructure	30-50 years
Furniture and office equipment	5-20 years
Equipment	7-15 years
Heavy duty vehicles	10 years
Vehicles	6 years
Computer software	5 years
Water and sewer lines	25-80 years

# LINCOLN COUNTY, NORTH CAROLINA

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

### Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meet these criteria – a charge on refunding, and pension and OPEB related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, property taxes receivable, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), leases, pension and OPEB related deferrals.

### Long Term Obligations

In the government-wide financial statements and 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. Bond premium and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. In the County's governmental and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

# LINCOLN COUNTY, NORTH CAROLINA

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

### 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:

- 1) 15% directly to the State (State Abatement Fund)
- 2) 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 3) 5% to a County incentive

The County received \$2,412,364 as part of this settlement in Fiscal Year 2024. Per the terms of the MOA, the County put these funds in the Special Revenue – Opioid Settlement Fund, to account for them. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. \$83,041 has been expended as of June 30, 2024. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic, and Option B, which allows additional opioid remediation activities.

### Reimbursement for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replaced lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$16,726,052 of fiscal recovery funds to be paid in two equal installments. The first installment of \$8,363,026 was received in July 2021. The second installment was received in August 2022. In Fiscal Year 2024, County staff and the Board of Commissioners have elected to use \$24,000 of the ARPA funds for an Interactive Voice Response System for Billing and Collections, \$186,553 for audio visual equipment and \$1,337,400 on HVAC upgrades on several County buildings. The remaining funds will be used on various projects allowed by the ARPA.

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

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

The governmental fund types classify fund balances as follows:

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

# LINCOLN COUNTY, NORTH CAROLINA

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

*Prepaid items* – portion of fund balance that is not an available resource, because it represents prepaid amounts, which are not spendable resources. Non-spendable fund balance for prepaid items was \$205,830 at June 30, 2024.

*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. The lease receivable excess balance was \$174 at June 30, 2024. This is an immaterial amount, but GASB requires us to disclose.

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

*Restricted for Stabilization by State Statute* – North Carolina GS 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 GS 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 prepaid items 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 General Government* – portion of fund balance restricted by revenue source for general government activities such as Building Maintenance and Register of Deeds automation enhancement (software) improvements.

*Restricted for Public Safety* – portion of fund balance restricted by revenue source for public safety activities, such as sheriff, fire, EMS, inspections and E-911.

*Restricted for Transportation* – portion of fund balance reserved by revenue source to be used to support public transit activities.

*Restricted for Culture and Recreation* – portion of fund balance reserved by revenue sources to be used for libraries and parks.

*Restricted for Human Services* – portion of fund balance restricted by revenue sources to be used for human service activities, such as health administration and social services.

# LINCOLN COUNTY, NORTH CAROLINA

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

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

Purpose:	General Fund	Fire Districts Fund	Special Grants Fund	Capital Reserve Fund	Other Governmental Funds
<b>Restricted, All Other:</b>					
Stabilization by State statute	\$ 11,862,734	\$ 117,931	\$ 8,159,016	\$ 9,642	\$ 33,895,743
General government	-	-	732,937	-	-
Public safety	2,106,649	-	146,429	-	2,377,218
Transportation	-	-	774,237	-	-
Economic and physical development	-	-	-	-	-
Culture and recreation	-	-	504,789	-	-
Human Services	218,248	-	10,695	-	1,292,247
	<b><u>\$ 14,187,631</u></b>	<b><u>\$ 117,931</u></b>	<b><u>\$ 10,328,103</u></b>	<b><u>\$ 9,642</u></b>	<b><u>\$ 37,565,208</u></b>

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds less payables from these proceeds of \$497,685, Register of Deeds' Pension Plan of \$128,352 and unexpended opioid settlement earned revenues of \$6,705,218 for a net difference of \$1,673,806.

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

*Committed for General Government* – portion of fund balance committed by the Board to be used for future traffic flow studies in various areas of the County.

*Committed for Public Safety* – portion of fund balance committed by the Board of Commissioners for purchase of a boat for a Lake Patrol division for the Sheriff.

*Committed for Economic and Physical Development* – portion of fund balance committed by the Board to be used for future business parks.

*Committed for Culture and Recreation* – portion of fund balance committed by the Board of Commissioners for construction of recreational facilities in the County.

*Committed for Education* – portion of fund balance committed by the Board of Commissioners for construction of educational facilities.

# LINCOLN COUNTY, NORTH CAROLINA

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

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

<b>Purpose:</b>	<b>General Fund</b>	<b>Capital Reserve Fund</b>	<b>Other Governmental Funds</b>
General government	\$ 2,681,049	\$ -	\$ -
Future Capital Projects:			
Public safety	500,000	17,279,215	-
Economic and physical development	2,100,000	4,107,216	-
Culture and recreation	850,000	3,863,812	-
Education	-	-	3,055,207
	<b><u>\$ 6,131,049</u></b>	<b><u>\$ 25,250,243</u></b>	<b><u>\$ 3,055,207</u></b>

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

*Assigned for 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 approved the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by function or appropriation within funds up to \$50,000.

*Assigned for General Government* – portion of fund balance assigned for possible building renovations and relocations.

*Assigned for Public Safety* – portion of fund balance assigned for construction of an Adult Probation facility, building renovations, a firing range and additional protective equipment for the Sheriff's Office.

*Assigned for Economic Development* – portion of fund balance assigned for future business parks and development.

*Assigned for Culture and Recreation* – portion of fund balance assigned for possible expansion of the County park system.

# LINCOLN COUNTY, NORTH CAROLINA

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

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

<b>Purpose:</b>	<b>General Fund</b>
Subsequent year's expenditures	\$ 3,502,903
Future Projects:	
General government	8,650,000
Public safety	10,834,926
Economic development	1,256,254
Culture and recreation	4,000,000
	<u>\$ 28,244,083</u>

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

Lincoln County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following order: debt proceeds, federal funds, State funds, local non-County funds, and/or 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 Director has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Lincoln County has also 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 20% of expenditures.

In accordance with North Carolina G.S. 159-8(a), 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 year. Accordingly, fund balance available for appropriation is calculated net of this stabilization by State statute amount.

# LINCOLN COUNTY, NORTH CAROLINA

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

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

Total fund balance, General Fund	\$ 84,744,094
Less:	
Prepaids	(205,830)
Leases	(174)
Stabilization for State statute	<u>(11,862,734)</u>
Fund balance available for appropriation	<u>\$ 72,675,356</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	General Fund	Special Grants Fund	Other Governmental Funds
Encumbrances	<u>\$ 2,809,446</u>	<u>\$ 7,854,513</u>	<u>\$ 33,634,108</u>

*Other Resources.* The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as “Transfers – Out” in the General Fund and “Transfers – In” in the receiving fund.

*Use of Estimates.* The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Note 2. Deposits and Investments.

#### A. 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 deferral depository insurance coverage are collateralized with securities held by the County’s agent in the County’s name. Under the Pooling Method, a collateral pool was created, and all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County’s agent in the County’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure

# LINCOLN COUNTY, NORTH CAROLINA

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

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 no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the carrying amount of the County's deposits with banks was \$17,831,584. Balances with banks equaled \$19,143,554. Of the bank balances, \$1,000,000 was covered by federal depository insurance and \$18,143,554 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The total amount of cash on hand and petty cash was \$10,293.

### B. Investments

At June 30, 2024, the County's investments consisted of the following:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months
NC Capital Management Trust -				
Government Portfolio	Fair Value - Level 1	\$ 99,245,021	N/A	N/A
NC Cooperative Liquid Assets Securities System(NC CLASS)	Fair Value - Level 1	57,449,102	N/A	N/A
US government agencies	Fair Value - Level 2	11,468,313	11,468,313	-
Commercial Paper	Fair Value - Level 2	46,947,786	27,621,487	19,326,299
Total investments		<u>\$ 215,110,222</u>	<u>\$ 39,089,800</u>	<u>\$ 19,326,299</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are 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.

NC CLASS Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. NC CLASS has an AAAm rating from S & P.

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.* Lincoln County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

## **LINCOLN COUNTY, NORTH CAROLINA**

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024 the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by S&P and AAA-mf by Moody's Investor Services as of June 30, 2024. The County's Investment in the North Carolina Cooperative Liquid Assets Securities System carried a credit rating of AAA by Standard and Poor's. The County's investments in US government agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

*Concentration of Credit Risk.* The County has a policy that investments will be diversified to alleviate the risk of over concentration of assets in a specific issuer or a specific class of securities. More than 5% of the County's investments in commercial paper are in Toyota. This investment is 6.82% of the County's total investments.

# LINCOLN COUNTY, NORTH CAROLINA

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

### Note 3. Receivables

#### A. Detail

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

	<b>Taxes</b>	<b>Accounts</b>	<b>Due from Other Governments</b>	<b>Lease</b>	<b>Total</b>
<b>Governmental activities:</b>					
General Fund	\$ 1,067,454	\$ 2,994,317	\$ 8,019,393	\$ 6,239	\$ 12,087,403
Fire Districts Fund	181,196	29	117,902	-	299,127
Special Grants Fund	-	12,024	292,479	-	304,503
Capital Reserve Fund	-	9,642	-	-	9,642
Other governmental Funds	-	8,402,649	240,508	-	8,643,157
Total receivables	<u>1,248,650</u>	<u>11,418,661</u>	<u>8,670,282</u>	<u>6,239</u>	<u>21,343,832</u>
Allowance for doubtful accounts	(392,441)	(3,222,565)	-	-	(3,615,006)
<b>Total governmental activities</b>	<b><u>\$ 856,209</u></b>	<b><u>\$ 8,196,096</u></b>	<b><u>\$ 8,670,282</u></b>	<b><u>\$ 6,239</u></b>	<b><u>\$ 17,728,826</u></b>
<b>Business-type activities:</b>					
Water and Sewer Fund	\$ 1,278	\$ 1,721,846	\$ 241,658	\$ -	\$ 1,964,782
Solid Waste Fund	-	310,493	44,364	-	354,857
Total receivables	<u>1,278</u>	<u>2,032,339</u>	<u>286,022</u>	<u>-</u>	<u>2,319,639</u>
Allowance for doubtful accounts	(1,278)	(374,711)	-	-	(375,989)
<b>Total business-type activities</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,657,628</u></b>	<b><u>\$ 286,022</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,943,650</u></b>

The total due from other governments consists of the following:

Governmental activities	\$ 8,670,282
Business-type activities	286,022
<b>Total due from other governments</b>	<b><u>\$ 8,956,304</u></b>

Local option sales tax	\$ 6,270,390
Various federal and state grants	455,207
Ambulance Cost Settlement	352,107
Local reimbursements and utility revenues	59,337
Scrap tire tax	42,785
Solid waste disposal tax	20,431
Sales tax reimbursements	1,151,814
Vehicle tax system	604,233
<b>Total due from other governments</b>	<b><u>\$ 8,956,304</u></b>

On 07/01/2021, Lincoln County entered into a 56-month lease as Lessor for the use of a Nursing Home. An initial lease receivable was recorded in the amount of \$16,680. As of 06/30/2024, the value of the lease receivable is \$6,239. The lessee is required to make monthly fixed payments of \$300. The lease has an interest rate of 1.0590%. The Land estimated useful life was zero months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2024 was \$6,065, and Lincoln County recognized lease revenue of \$3,539 during the fiscal year. The lessee has one extension option for 180 months.

At June 30, 2024, taxes receivable for other governments in the Custodial Fund is net of an allowance for doubtful accounts of \$37,631.

# LINCOLN COUNTY, NORTH CAROLINA

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

### B. Property Tax – Use-Value Assessment on Certain Lands

In accordance with 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. The amounts have not been recorded in the financial statements.

<b>Year</b>	<b>Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
	2021	2,091,805	496,805	2,588,610
	2022	2,118,445	312,471	2,430,916
	2023	2,411,957	138,689	2,550,646
	2024	2,441,003	-	2,441,003
	<b>Total</b>	<b><u>\$ 9,063,210</u></b>	<b><u>\$ 947,965</u></b>	<b><u>\$ 10,011,175</u></b>

### Note 4. Capital Assets

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 8,429,358	\$ 1,560,243	\$ (41,280)	\$ -	\$ 9,948,321
Construction in Progress	60,126,944	11,127,217	-	(42,450,262)	28,803,899
<b>Total Capital Assets Not Being Depreciated</b>	<b>68,556,302</b>	<b>12,687,460</b>	<b>(41,280)</b>	<b>(42,450,262)</b>	<b>38,752,220</b>
<b>Capital Assets Being Depreciated:</b>					
Buildings	74,340,344	1,734,664	(1,843,639)	40,576,112	114,807,481
Right-to-use leased buildings	563,141	-	-	-	563,141
Improvements	18,627,864	2,074,788	(123,241)	1,874,150	22,453,561
Equipment	22,693,462	1,354,620	(62,834)	(22,550)	23,962,698
Right-to-use leased equipment	105,724	-	-	-	105,724
Vehicles	16,938,660	4,119,878	(2,238,166)	(118,868)	18,701,504
<b>Total Capital Assets Being Depreciated</b>	<b>133,269,195</b>	<b>9,283,950</b>	<b>(4,267,880)</b>	<b>42,308,844</b>	<b>180,594,109</b>
<b>Less: Accumulated depreciation for:</b>					
Buildings	(19,932,919)	(1,476,428)	879,157	-	(20,530,190)
Right-to-use leased buildings	(87,452)	(45,417)	-	-	(132,869)
Improvements	(7,491,185)	(749,815)	3,081	-	(8,237,919)
Equipment	(13,684,327)	(1,727,126)	53,733	21,423	(15,336,297)
Right-to-use leased equipment	(52,246)	(26,123)	-	-	(78,369)
Vehicles	(10,885,680)	(1,656,785)	1,848,026	118,868	(10,575,571)
<b>Total accumulated depreciation</b>	<b>(52,133,809)</b>	<b>(5,681,694)</b>	<b>2,783,997</b>	<b>140,291</b>	<b>(54,891,215)</b>
<b>Total capital assets being depreciated, net</b>	<b>81,135,386</b>				<b>125,702,894</b>
<b>Governmental Activities Capital assets, net</b>	<b>\$ 149,691,688</b>				<b>\$ 164,455,114</b>

# LINCOLN COUNTY, NORTH CAROLINA

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities:</b>					
<b>Water and Sewer Fund:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 838,427	\$ -	\$ -	\$ -	\$ 838,427
Construction in Progress	54,606,913	2,726,521	- (8,081,904)	\$ 49,251,530	
Total Capital Assets Not Being Depreciated	<u>55,445,340</u>	<u>2,726,521</u>	<u>- (8,081,904)</u>		<u>50,089,957</u>
<b>Capital Assets Being Depreciated:</b>					
Buildings	41,787,579	12,300	- (8,081,904)	22,550	41,799,879
Improvements	935,461	- (39,128)	- (21,423)	- (21,423)	935,461
Water lines	54,230,256	597,495	- (8,081,904)	22,550	62,909,655
Sewer lines	28,505,979	390,732	- (21,423)	- (21,423)	28,896,711
Equipment	4,533,546	679,273	(9,344)	- (21,423)	5,226,025
Vehicles	1,371,855	143,350	- (21,423)	- (21,423)	1,515,205
Total Capital Assets Being Depreciated	<u>131,364,676</u>	<u>1,823,150</u>	<u>(9,344)</u>	<u>8,104,454</u>	<u>141,282,936</u>
Less: Accumulated depreciation for:					
Buildings	(18,871,970)	(1,337,404)	- (21,423)	- (21,423)	(20,209,374)
Improvements	(581,807)	(39,128)	- (21,423)	- (21,423)	(620,935)
Water lines	(22,946,559)	(1,162,906)	- (21,423)	- (21,423)	(24,109,465)
Sewer lines	(9,433,153)	(824,645)	- (21,423)	- (21,423)	(10,257,798)
Equipment	(3,159,769)	(219,696)	9,344	- (21,423)	(3,391,544)
Vehicles	(1,155,024)	(80,464)	- (21,423)	- (21,423)	(1,235,488)
Total accumulated depreciation	<u>(56,148,282)</u>	<u>(3,664,243)</u>	<u>9,344</u>	<u>(21,423)</u>	<u>(59,824,604)</u>
Total capital assets being depreciated, net	<u>75,216,394</u>				<u>81,458,332</u>
<b>Water &amp; Sewer Fund Capital assets, net</b>	<u>130,661,734</u>				<u>131,548,289</u>
<b>Solid Waste Fund:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	640,648	- (301,836)	- (10,778)	- (10,778)	640,648
Construction in Progress	18,000	668,393	- (12,537,955)	- (12,537,955)	686,393
Total Capital Assets Not Being Depreciated	<u>658,648</u>	<u>668,393</u>	<u>- (12,537,955)</u>	<u>- (12,537,955)</u>	<u>1,327,041</u>
<b>Capital Assets Being Depreciated:</b>					
Buildings	538,923	- (18,092,989)	- (17,633)	- (17,633)	538,923
Improvements	18,092,989	- (5,135,107)	- (403,751)	- (403,751)	18,110,622
Equipment	5,135,107	- (3,448,116)	- (56,977)	- (56,977)	5,481,881
Vehicles	3,448,116	- (1,878,230)	- (56,562)	- (126,288)	3,497,258
Total Capital Assets Being Depreciated	<u>27,215,135</u>	<u>477,946</u>	<u>(183,265)</u>	<u>118,868</u>	<u>27,628,684</u>
Less: Accumulated depreciation for:					
Buildings	(301,836)	(18,100,238)	(10,778)	- (10,778)	(312,614)
Improvements	(12,537,955)	- (1,878,230)	(611,108)	- (611,108)	(13,149,063)
Equipment	(3,382,217)	- (3,448,116)	(311,378)	- (311,378)	(3,636,618)
Vehicles	(1,878,230)	- (1,878,230)	(271,539)	- (271,539)	(2,142,349)
Total accumulated depreciation	<u>(18,100,238)</u>	<u>(1,878,230)</u>	<u>(1,204,803)</u>	<u>183,265</u>	<u>(118,868)</u>
Total capital assets being depreciated, net	<u>9,114,897</u>				<u>8,388,040</u>
<b>Solid Waste Fund capital assets, net</b>	<u>9,773,545</u>				<u>9,715,081</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 140,435,279</u>				<u>\$ 141,263,370</u>

# LINCOLN COUNTY, NORTH CAROLINA

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

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

General government	\$ 1,680,794
Public Safety	2,787,383
Transportation	152,030
Economic and Physical Development	187,160
Culture & Recreation	672,857
Human Services	201,470
<b>Total</b>	<b><u>\$ 5,681,694</u></b>

### **Business-Type Activities**

Water and sewer	\$ 3,664,243
Solid Waste	1,204,803
<b>Total</b>	<b><u>\$ 4,869,046</u></b>

### **Net Investment in Capital Assets**

	<b>Governmental Activities</b>	<b>Water &amp; Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Business-type Activities</b>
Capital assets, net	<u>\$ 164,455,114</u>	<u>\$ 131,548,289</u>	<u>\$ 9,715,081</u>	<u>\$ 141,263,370</u>
Long-term debt outstanding	(79,263,790)	(63,069,028)	(2,545,238)	(65,614,266)
School debt for which the County does not hold asset title	15,887,267	-	-	-
Premium on school related debt	573,103	-	-	-
Discount on school related debt	(13,739)	-	-	-
Unspent debt proceeds	497,685	-	-	-
<b>Total related debt</b>	<b><u>(62,319,474)</u></b>	<b><u>(63,069,028)</u></b>	<b><u>(2,545,238)</u></b>	<b><u>(65,614,266)</u></b>
Net investment in capital assets	<u>\$ 102,135,640</u>	<u>\$ 68,479,261</u>	<u>\$ 7,169,843</u>	<u>\$ 75,649,104</u>

Deferred amounts of debt refundings is not included in the calculation of Net Investment in Capital Assets. The deferred amounts are for debt related to the School system, non-capitalized items.

# LINCOLN COUNTY, NORTH CAROLINA

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

### Note 5. Liabilities

#### A. Payables

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

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
<b>Governmental activities:</b>					
General Fund	\$ 4,561,707	\$ 2,696,454	\$ 249,752	\$ 4,656,225	\$ 12,164,138
Fire Districts Fund	-	-	-	2,066,820	2,066,820
Special Grants Fund	574,960	-	-	-	574,960
Other governmental Funds	602,282	-	-	-	602,282
Total governmental activities	<u>\$ 5,738,949</u>	<u>\$ 2,696,454</u>	<u>\$ 249,752</u>	<u>\$ 6,723,045</u>	<u>\$ 15,408,200</u>
<b>Business-type activities:</b>					
Water and Sewer Fund	\$ 1,049,783	\$ 163,778	\$ 672,323	\$ 69,952	\$ 1,955,836
Solid Waste Fund	816,777	85,808	19,557	-	922,142
Total business-type activities	<u>\$ 1,866,560</u>	<u>\$ 249,586</u>	<u>\$ 691,880</u>	<u>\$ 69,952</u>	<u>\$ 2,877,978</u>

#### Construction Commitments

The government has active construction projects as of June 30, 2024. At that date, the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Animal Services Expansion	\$ 995,576	\$ 258,749
McBee Street Renovation	564,534	2,635,466
West Lincoln Passive Park	2,319,449	515,951
Emergency Services Facility	19,643,993	856,007
Communication/CAD System	2,403,427	557,296
Jail Expansion	1,314,000	336,072
Airport Land Grading	1,179,285	929,736
Beattys Ford Park	19,668	420,332
NC 16 Waterline Phase II	646,892	1,753,108
St James/Kidville Waterline	29,747	1,170,253
Water Transmission Line	611,433	5,488,567
Water Treatment Plant Expansion	12,946,027	1,731,630
NC 150 West Waterline	145,324	54,676
Laboratory Road Waterline	70,200	1,379,800
E Highway 150 Waterline	61,143	938,857
Riverbend Preserve Waterline	48,450	18,451,550
Pump Station 29	63,393	666,607
Wastewater Treatment Plant Exp	34,642,970	1,917,530
Total	<u>\$ 77,705,511</u>	<u>\$ 40,062,187</u>

# LINCOLN COUNTY, NORTH CAROLINA

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

### B. Long-Term Debt

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

On July 1, 2021, Lincoln County entered into a 48 month lease as Lessee for the use of Sharp-Copiers. An initial lease liability was recorded in the amount of \$105,724. As of June 30, 2024, the value of the lease liability is \$26,777. Lincoln County is required to make monthly payments of \$2,242. The lease has an interest rate of 0.8930%. The Equipment has an estimated useful life of forty eight months as of the contract commencement. The value of the right to use asset as of June 30, 2024 of \$105,724 with accumulated amortization of \$78,368 is included with leased equipment on the capital assets activities table.

On July 1, 2021, Lincoln County entered into a 360 month lease as Lessee for the use of Howards Creek VFD. An initial lease liability was recorded in the amount of \$472,499. As of June 30, 2024, the value of the lease liability is \$439,252. Lincoln County is required to make annual fixed payments of \$22,797. The lease has an interest rate of 2.583%. The buildings estimated useful life was two hundred forty months as of the contract commencement. The value of the right to use asset as of June 30, 2024 of \$472,499 with accumulated amortization of \$47,176 is included with leased buildings on the capital assets activities table.

On August 12, 2021, Lincoln County entered into a 36 month lease as Lessee for the use of Sheriff Space. An initial lease liability was recorded in the amount of \$90,642. As of June 30, 2024, the value of the lease liability is \$4,996. Lincoln County is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 0.719%. The building estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2024 of \$90,642 with accumulated amortization of \$85,694 is included with leased buildings on the capital assets activities table.

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

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	43,224	11,480	54,704
2026	11,747	11,050	22,797
2027	12,050	10,747	22,797
2028	12,361	10,435	22,796
2029	12,681	10,116	22,797
2030-2034	68,488	45,495	113,983
2035-2039	77,802	36,181	113,983
2040-2044	88,383	25,640	114,023
2045-2049	100,403	13,580	113,983
2050-2052	43,886	1,708	45,594
Total	\$ 471,025	\$ 176,432	\$ 647,457

# LINCOLN COUNTY, NORTH CAROLINA

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

**General Obligation Indebtedness.** All general obligation bonds serviced by the County's General Fund are backed by the full-faith, credit, and taxing power of the County. Principal and interest requirements 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 these agreements. Each issuance has been collateralized by the asset being financed.

The County's general obligation bonds at June 30, 2024 are comprised of the following issues:

### Governmental Activities:

#### Direct Placement General Obligation Bonds

\$13,190,000 2017 School Refunding issued to refund the 2010B and 2011B bonds, due in annual installments from \$124,000 to \$2,095,000 through June 1, 2029; interest at 2.29%; due June 1 and December 1	\$ 8,237,000
\$10,230,000 2019 School Refunding issued to refund the 2010A School and Public Facilities Bond, due in annual installments of \$685,000 to \$1,845,000 through June 1, 2027; interest at 5%, due June 1 and December 1	<u>5,535,000</u>
Total direct placement general obligation bonds	<u>\$ 13,772,000</u>

**Revenue Bond Indebtedness.** All enterprise revenue bonds serviced by the County's Water and Sewer Fund are backed by the revenues of the water and sewer utility system. Principal and interest requirements 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 these agreements. Each issuance has been collateralized by the revenues of the utility system.

The County's revenue bonds at June 30, 2024 are comprised of the following issues:

### Business-Type Activities:

#### Revenue Bonds

\$13,895,000 2018 Enterprise Revenue Bonds, due in annual installments ranging from \$280,000 to \$825,000 through August 1, 2043; interest rates from 3.25% to 5.00%; due August 1 and February 1	\$ 11,685,000
\$28,435,000 2020 Enterprise Revenue Bonds, due in annual installments ranging from \$880,000 to \$1,820,000 through August 1, 2041; interest rate of 1.65%, due August 1 and February 1	<u>25,315,000</u>
Total revenue bonds Water and Sewer Fund	<u>\$ 37,000,000</u>

### Installment Purchase Agreements

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property and equipment acquisitions by installment purchases. 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 these agreements. Each issuance has been collateralized by the asset being financed. Installment purchase contracts at June 30, 2024, are comprised of the following individual agreements:

# LINCOLN COUNTY, NORTH CAROLINA

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

### Governmental Activities:

#### General Fund:

##### Direct Placements:

\$19,640,000 2021 installment financing contract, issued to fund the Emergency Services facility, due in annual installments from \$980,000 to \$985,000 through October 1, 2041; interest payments due April 1 and October 1 at 4.00%	\$17,670,000
\$7,845,000 2013 School Refunding installment contract issued to partially refund the 2006 COPS; due in annual installments from \$93,000 to \$1,078,000 through June 1, 2027; interest from 1.776% to 2.252%; interest payments due June 1 and December 1	2,935,000
\$1,650,000 2008 State Revolving Loan issued for water source protection and passive park; due in annual installments of \$82,500 through May 1, 2028; interest at 1.00%; interest payments due May 1 and November 1	330,000
\$11,139,000 2017 installment financing contract, issued to fund the Health Department renovation and VIPER construction, due in annual installments from \$441,000 to \$1,240,000 through October, 2032; interest at 2.35% due April 1 and October 1	4,512,000
\$6,115,000 2014 installment financing contract, issued to fund various capital projects; due in semi-annual installments of \$216,667, plus interest at 3.02%; through June 26, 2029	2,038,400
\$8,858,000 2016 Sewer, Solid Waste, and Building Refunding issued to refund various projects; due in annual installments from \$280,000 to \$646,000 through July 15, 2036; interest at 2.33%; interest payments due July 15 and January 15	1,354,000
\$11,511,000 2019 installment financing contract, issued to fund various capital projects in the General Fund and Solid Waste Fund; due in semi annual installments of \$768,000 through April, 2034; interest at 3.04%	6,338,030
\$36,500,000 2020 installment financing contract, issued to fund the construction of a new Courthouse; due in semi annual installments of \$1,825,000 through June 1, 2040; interest at 2.70%	<u>29,200,000</u>
Total governmental activities	<u>\$64,377,430</u>

# LINCOLN COUNTY, NORTH CAROLINA

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

### **Business-Type Activities:**

#### **Water and Sewer Fund:**

##### **Direct Borrowings:**

\$7,513,965 Federal Revolving Loan issues for water system improvements; due in annual installments; interest at 1.13% due May 1 and November 1	\$ 5,476,487
\$14,000,000 Federal Revolving Loan issued for water system improvements; due in annual installments; interest at 1.35%; due May 1 and November 1	<u>12,600,000</u>
Total direct borrowings	<u>18,076,487</u>

##### **Direct Placements:**

\$8,858,000 Sewer, Solid Waste and Building Refunding issued to refund various projects; due in annual installments from \$280,000 to \$646,000 through July 15, 2036; interest at 2.33% due January 15 and July 15	<u>2,460,000</u>
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### **Solid Waste Fund:**

#### **Direct Placements:**

\$385,000 2014 installment financing contract for land and vehicles, due in semi-annual installments of \$12,827; plus interest at 3.02%; through June 26, 2029	128,265
\$11,511,000 2019 installment financing contract, issued to fund various capital projects in the General Fund and Solid Waste Fund; due in semi-annual installments of \$768,000 through April, 2034; interest at 3.04%	1,332,973
\$8,858,000 Sewer, Solid Waste and Building Refunding issued to refund various projects; due in annual installments from \$280,000 to \$646,000 through July 15, 2036; interest at 2.33% due January 15 and July 15	<u>1,084,000</u>
Total Solid Waste Fund	<u>2,545,238</u>
Total business-type activities	<u>23,081,725</u>
Total direct borrowings and direct placements	<u>\$87,459,155</u>

# LINCOLN COUNTY, NORTH CAROLINA

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

**Changes in Long-Term Debt.** The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Current Portion</b>
<b>Governmental activities:</b>					
Bonds payable					
Direct placement general obligation bonds					
Direct placement	\$ 20,126,000	\$ -	\$ 6,354,000	\$ 13,772,000	\$ 3,591,000
Premium	1,055,586	- -	382,851	672,735	-
Discount	(16,487)	- -	(2,748)	(13,739)	-
Total direct placement general obligation bonds	21,165,099	- -	6,734,103	14,430,996	3,591,000
Direct placement installment purchase					
Direct placement	70,010,172	- -	5,632,742	64,377,430	5,613,742
Discount	(17,402)	- -	(1,741)	(15,661)	-
Total direct placement installment purchase	69,992,770	- -	5,631,001	64,361,769	5,613,742
Lease liabilities	538,575	- -	67,550	471,025	43,224
Compensated absences	2,726,786	1,910,501	1,748,190	2,889,097	1,669,556
Net pension liability (LGERS)	28,284,118	5,850,692	- -	34,134,810	5,750,360
Total pension liability (LEOSSA)	3,901,463	555,979	- -	4,457,442	122,707
Net OPEB liability	47,590,271	- -	156,039	47,434,232	1,779,744
Total governmental activities	<u>\$ 174,199,082</u>	<u>\$ 8,317,172</u>	<u>\$ 14,336,883</u>	<u>\$ 168,179,371</u>	<u>\$ 18,570,333</u>
<b>Business-type activities:</b>					
<b>Water and Sewer Fund:</b>					
Bonds payable					
Revenue bonds	\$ 38,695,000	\$ -	\$ 1,695,000	\$ 37,000,000	\$ 1,770,000
Premium	5,953,717	- -	421,176	5,532,541	-
Total revenue bonds	44,648,717	- -	2,116,176	42,532,541	1,770,000
Direct borrowings	15,858,402	3,428,787	1,210,702	18,076,487	1,075,698
Direct placement installment purchase	2,620,000	- -	160,000	2,460,000	164,000
Compensated absences	170,125	164,615	124,152	210,588	118,715
Net pension liability (LGERS)	1,864,887	385,760	- -	2,250,647	379,145
Net OPEB liability	3,137,820	- -	10,288	3,127,532	117,346
Total Water and Sewer Fund	<u>68,299,951</u>	<u>3,979,162</u>	<u>3,621,318</u>	<u>68,657,795</u>	<u>3,624,904</u>
<b>Solid Waste Fund:</b>					
Direct placement installment purchase	3,049,329	- -	504,091	2,545,238	512,091
Accrued landfill closure and post-closure care costs	9,498,237	731,850	- -	10,230,087	-
Compensated absences	98,952	61,804	53,787	106,969	52,151
Net pension liability (LGERS)	932,443	192,880	- -	1,125,323	189,572
Net OPEB liability	1,568,910	- -	5,144	1,563,766	58,673
Total Solid Waste Fund	<u>15,147,871</u>	<u>986,534</u>	<u>563,022</u>	<u>15,571,383</u>	<u>812,487</u>
Total business-type activities	<u>\$ 83,447,822</u>	<u>\$ 4,965,696</u>	<u>\$ 4,184,340</u>	<u>\$ 84,229,178</u>	<u>\$ 4,437,391</u>

# LINCOLN COUNTY, NORTH CAROLINA

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

Compensated absences, net pension obligation and OPEB liabilities typically have been liquidated in the General Fund for governmental activities. Compensated absences are accounted for on a FIFO Basis, assuming that employees are taking leave time as it is earned.

At June 30, 2024, Lincoln County had a legal debt margin of approximately \$1,453,591,000.

**Revenue Bonds.** In October 2018, the County issued \$13,895,000 Enterprise System Revenue Bonds to finance capital improvements at the Water Treatment Plant. With interest rates between 3.25% and 5%, the interest on the bonds is payable on February 1 and August 1. The revenue bonds, which mature on August 1, 2043 are reported in the Water and Sewer Fund. The net revenues of the Water and Sewer Fund have been pledged to secure the repayment of the bonds. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order. 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 these agreements. The Principal and Interest payments made during the fiscal year on these bonds totaled \$842,900. The net revenues of the Water and Sewer Fund for FY 24 were \$18,526,351.

In October 2020, the County issued \$28,435,000 Enterprise System Revenue Bonds to finance capital improvements for the Wastewater Treatment Plant. The interest rate of 1.65% is payable on February 1 and August 1. The revenue bonds, which mature on August 1, 2041 are reported in the Water and Sewer Fund. The net revenues of the Water and Sewer Fund have been pledged to secure the repayment of the bonds. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order. In the event of a default, the county agrees to pay the Purchaser, on demand, interest on any and all amounts due and owing by the County under these agreements. The Principal and Interest payments made during the fiscal year on these bonds totaled \$2,373,925. The net revenues of the Water and Sewer Fund for FY 24 were \$18,526,351. Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2025	1,770,000	1,435,200
2026	1,855,000	1,344,575
2027	1,940,000	1,249,700
2028	2,035,000	1,150,325
2029	2,125,000	1,046,325
2030-2034	9,655,000	3,785,725
2035-2039	9,985,000	2,150,250
2040-2044	7,635,000	538,463
Total	<u>\$ 37,000,000</u>	<u>\$ 12,700,563</u>

The County is in compliance with the covenants as to rates, fees, rentals and charges in Section 7.4 of the Bond Order authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2018 and Series 2020.

## **LINCOLN COUNTY, NORTH CAROLINA**

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

Section 7.4(a) of the Bond Order requires the debt service coverage ratio to be no less than 120% of the Revenue Bond debt service for the year. In addition, Section 7.4(b) of the Bond Order also requires that the debt service coverage ratio be no less than 100% of the Long Term Debt Service Requirement for Parity Indebtedness, Subordinated Indebtedness, System G.O. Indebtedness and System Other Indebtedness for such Fiscal Year.

The debt service coverage ratio calculations for the year ended June 30, 2024, are as follows:

Operating revenues	\$ 18,526,351
Operating expenses*	11,302,506
<hr/>	<hr/>
Operating income	7,223,845
Nonoperating revenues (expenses)	571,372
<hr/>	<hr/>
Income available for debt service	7,795,217
15% of unrestricted net position of System	6,236,855
<hr/>	<hr/>
Available for debt service	\$ 14,032,072
<hr/>	<hr/>
Debt service, principal and interest paid (Revenue bond only)	\$ 2,760,336
Debt service coverage ratio	508.35%

\*Per rate covenants, this does not include the depreciation expense of \$3,664,243

Total debt service coverage ratio:

Operating revenues	\$ 18,526,351
Operating expenses*	11,302,506
<hr/>	<hr/>
Operating income	7,223,845
Nonoperating revenues (expenses)	571,372
<hr/>	<hr/>
Income available for debt service	\$ 7,795,217
<hr/>	<hr/>
Debt service, principal and interest paid	\$ 4,404,257
Debt service coverage ratio	176.99%

\*Per rate covenants, this does not include the depreciation expense of \$3,664,243

# LINCOLN COUNTY, NORTH CAROLINA

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

**Future Maturities for Long-Term Indebtedness.** The following tables summarize the annual requirements to amortize all long-term debt outstanding (excluding compensated absences, law enforcement officers' unfunded retirement contribution, other post-employment benefits, and accrued landfill closure/post-closure care costs):

<b>Governmental Activities:</b>	<b>Direct Placement General Obligation Bonds</b>		<b>Direct Placement Installment Purchase Agreements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ 3,591,000	\$ 465,377	\$ 5,613,742	\$ 1,554,805
2026	3,550,000	332,737	5,594,916	1,417,924
2027	3,507,000	201,443	5,573,916	1,281,477
2028	2,095,000	71,540	4,613,916	1,145,497
2029	1,029,000	23,564	4,396,257	1,032,500
2030-2034	-	-	19,482,682	3,631,207
2035-2039	-	-	14,337,001	1,511,786
2040-2043	-	-	4,765,000	133,946
<b>Total</b>	<b><u>\$ 13,772,000</u></b>	<b><u>\$ 1,094,661</u></b>	<b><u>\$ 64,377,430</u></b>	<b><u>\$ 11,709,142</u></b>

<b>Business-Type Activities:</b>	<b>Revenue Bonds</b>		<b>Direct Borrowings</b>		<b>Direct Placement Installment Purchase Agreements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ 1,770,000	\$ 1,435,200	\$ 1,075,698	\$ 190,101	\$ 676,091	\$ 105,843
2026	1,855,000	1,344,575	1,041,985	190,368	687,917	91,223
2027	1,940,000	1,249,700	1,041,985	179,170	700,917	76,370
2028	2,035,000	1,150,325	1,041,985	168,132	334,917	64,853
2029	2,125,000	1,046,325	1,041,985	156,773	339,077	56,759
2030-2034	9,655,000	3,786,025	5,209,925	616,013	1,630,318	167,270
2035-2039	9,985,000	2,150,750	5,209,925	336,018	636,001	18,217
2040-2044	7,635,000	538,463	2,412,999	67,221	-	-
<b>Total</b>	<b><u>\$ 37,000,000</u></b>	<b><u>\$ 12,701,363</u></b>	<b><u>\$ 18,076,487</u></b>	<b><u>\$ 1,903,796</u></b>	<b><u>\$ 5,005,238</u></b>	<b><u>\$ 580,535</u></b>

### **Debt Related to Capital Activities**

Of the total governmental activities debt listed, \$62,262,163 relates to assets to which the County holds title, while the remaining \$15,887,267 is related to assets owned and utilized by the school system.

# **LINCOLN COUNTY, NORTH CAROLINA**

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

### **Advance Refunding**

On August 21, 2017 the County issued \$13,190,000 in installment debt for the purpose of an advance refunding of the Series 2010B and 2011B General Obligation Bonds in the amount of \$12,175,000. The proceeds were placed in an irrevocable trust to be used for all future debt service payments. As a result, the Bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$874,827. This amount is being netted against the new debt and amortized over the life of the refunded debt. This refunding is related to assets owned and utilized by the school system. This advance refunding was undertaken to reduce total debt service payments over the life of the debt by \$845,360 and resulted in an economic gain of \$743,226.

### **Refunding**

On June 19, 2019 the County issued \$10,230,000 general obligation current refunding bonds to provide resources to refund \$11,800,000 general obligation bonds, Series 2010A, dated February 9, 2010. As a result, the refunded bonds are defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$236,753. The refunding was undertaken to reduce total debt service payments by \$1,138,336 and resulted in an economic gain of \$1,063,694.

On August 26, 2020 the County issued \$13,760,000 Enterprise Revenue Bonds to provide resources to refund \$7,940,000 enterprise revenue bonds, Series 2019, dated October 10, 2019 and \$8,811,000 in State Revolving Loan, dated 2010. As a result, the refunded bonds are defeased and the liability has been removed from the business-type activities of the statement of net position. The refunding was undertaken to reduce total debt service payments by \$1,765,191 and resulted in an economic gain of \$1,566,741.

### **Note 6. Pension Plan Obligations**

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 Register of Deeds' Supplemental Pension Plan (RODSPF) (collectively, the "State-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the State-administered defined benefit pension plans and additions to/deductions from the State administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the State-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the State-administered defined benefit pension plans.

# LINCOLN COUNTY, NORTH CAROLINA

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

### A. Local Governmental Employees' Retirement System

**Plan Description.** The County is a participating employer in the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The LGERS 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, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members 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 an LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. Lincoln County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Lincoln County's contractually required contribution rate for the year ended June 30, 2024 was 14.04% of compensation for law enforcement officers and 12.9% for general employees and

# LINCOLN COUNTY, NORTH CAROLINA

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

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 Lincoln County were \$6,319,077 for the year ended June 30, 2024.

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

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

At June 30, 2024, the County reported a liability of \$37,510,780 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing the updated 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, 2024, the County's proportion was 0.56636% (measured as of June 30, 2023), which was an increase of 0.01541% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024 the County recognized pension expense of \$11,096,222. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,179,812	\$ 89,984
Changes of assumptions	1,593,992	-
Net difference between projected and actual earnings on pension plan investments	10,039,526	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	478,643	82,336
County contributions subsequent to the measurement date	6,319,077	-
<b>Total</b>	<b>\$ 22,611,050</b>	<b>\$ 172,320</b>

\$6,319,077 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

# LINCOLN COUNTY, NORTH CAROLINA

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

Year Ending June 30	Amount
2025	\$ 5,868,538
2026	3,094,837
2027	6,731,754
2028	424,524
2029	-
Thereafter	-
Total	<u>\$ 16,119,653</u>

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

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

The plan 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 healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2022 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 return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projects 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, 2023 are summarized in the following table:

# LINCOLN COUNTY, NORTH CAROLINA

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

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	100.0%	

The information above is based on 30-year expectations developed with an investing consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy for 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%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.5%. The discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 6.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.5%) or one-percentage point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
County's proportionate share of the net pension liability (asset)	\$ 64,985,953	\$ 37,510,780	\$ 14,890,644

**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.

# LINCOLN COUNTY, NORTH CAROLINA

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

### B. Law Enforcement Officers' Special Separation Allowance

**Description.** Lincoln County administers a public employee retirement system (the "Separation Allowance"), a single-employer, defined-benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual base rate of compensation multiplied by total creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. North Carolina G.S. 143-12D assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Separation Allowance covers all full-time law enforcement officers of the County. At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	131
<b>Total</b>	<b>142</b>

A separate report was not issued for the plan.

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

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

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

Inflation	2.5%
Salary increases	3.25 - 7.75% including inflation and productivity factor
Discount rate	4.00%

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

The actuarial assumptions used in the December 31, 2022, 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.

# LINCOLN COUNTY, NORTH CAROLINA

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

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

Mortality Projection: All mortality rates 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 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.

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

**Contribution Requirements and Contributions Made.** The County is required by North Carolina G.S. 143-12D to provide these retirement benefits and has chosen to fund benefit payments on a pay-as-you-go basis through appropriations in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established by statute and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investments earnings. The County paid \$224,921 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, 2024, the County reported a total pension liability of \$4,457,442. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$548,102.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 569,207	\$ 222,352
Changes of assumptions	579,756	561,196
County benefit payments and plan administrative expense made subsequent to the measurement date	122,707	-
 Total	 \$ 1,271,670	 \$ 783,548

# LINCOLN COUNTY, NORTH CAROLINA

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

\$122,707, 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, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2025	\$ 208,682
2026	162,815
2027	(6,221)
2028	(55,722)
2029	44,541
Thereafter	<u>11,320</u>
Total	<u><u>\$ 365,415</u></u>

*Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate.* The following presents the County's total pension liability calculated using the discount rate of 4.00 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.00 percent) or one-percentage-point higher (5.00 percent) than the current rate.:

	<b>1% Decrease (3.00%)</b>	<b>Current Discount Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
Total pension liability	<u><u>\$ 4,849,676</u></u>	<u><u>\$ 4,457,442</u></u>	<u><u>\$ 4,101,947</u></u>

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

	<b>2024</b>
Beginning balance	\$ 3,901,463
Service cost	206,806
Interest on the total pension liability	163,306
Difference between expected and actual experience	305,202
Changes of assumptions and other inputs	105,586
Benefit payments	<u>(224,921)</u>
Ending balance of the total pension liability	<u><u>\$ 4,457,442</u></u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.31% at the December 31, 2022 measurement date to 4.00% at the December 31, 2023 measurement date.

*Change in benefit terms.* Reported compensation was adjusted to reflect the assumed rate of pay as of the valuation date.

# **LINCOLN COUNTY, NORTH CAROLINA**

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

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

### **C. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

North Carolina G. S. 143-12E requires the County to contribute each month an amount equal to 5% 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, 2024 were \$620,326 which consisted of \$459,141 from the County and \$161,185 from the law enforcement officers. No amounts were forfeited.

### **D. Registers of Deeds’ Supplemental Pension Fund**

**Plan Description.** The County also contributes to the Registers of Deeds’ Supplemental Pension Fund (RODSPF), a non-contributory, 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, the State Treasurer, and the 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](http://www.osc.nc.gov).

**Benefits Provided.** An individual’s benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual’s eligibility is based on at least 10 years of service as a register of deeds with the individual’s share increasing

# LINCOLN COUNTY, NORTH CAROLINA

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

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 \$9,028 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$128,352 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2024, the County's proportion was 1.06809%, (measured as of June 30, 2023) which was an increase of 0.07105% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$20,757. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 5,682
Changes of assumptions	-	-
Net different between projected and actual earnings on pension plan investments	65,196	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,958	9,144
County contributions subsequent to the measurement date	9,028	-
Total	\$ 76,182	\$ 14,826

\$9,028, reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

# LINCOLN COUNTY, NORTH CAROLINA

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

Year Ending June 30	Amount
2025	\$ 12,350
2026	16,940
2027	18,927
2028	4,111
2029	-
Thereafter	-
Total	<u>\$ 52,328</u>

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.0 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 99.8% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2023 is 0.9%.

# LINCOLN COUNTY, NORTH CAROLINA

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

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 for 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 discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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%, 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 one-percentage-point lower (2.00%) or one-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (87,615)	\$ (128,352)	\$ (162,702)

**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.

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

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

# LINCOLN COUNTY, NORTH CAROLINA

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Net Pension Liability (Asset)	\$ 37,510,780	\$ (128,352)	\$ 4,457,442	\$ 41,839,870
Pension Expense	11,096,222	20,757	548,102	11,665,081
Proportion of the Net Pension Liability (Asset)	0.56636%	1.06809%	n/a	n/a

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 4,179,812	\$ -	\$ 569,207	\$ 4,749,019
Changes of assumptions	1,593,992	-	579,756	2,173,748
Net difference between projected and actual earnings on plan investments	10,039,526	65,196	-	10,104,722
Changes in proportion and differences between County contributions and proportionate share of contributions	478,643	1,958	-	480,601
County contributions (LGERS, ROD) benefit payments and administration costs (LEOSSA) subsequent to the measurement date	6,319,077	9,028	122,707	6,450,812
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 22,611,050</u></b>	<b><u>\$ 76,182</u></b>	<b><u>\$ 1,271,670</u></b>	<b><u>\$ 23,958,902</u></b>

### **Deferred Inflows of Resources**

Differences between expected and actual experience	\$ 89,984	\$ 5,682	\$ 222,352	\$ 318,018
Changes of assumptions	-	-	561,196	561,196
Net difference between projected and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	82,336	9,144	-	91,480
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 172,320</u></b>	<b><u>\$ 14,826</u></b>	<b><u>\$ 783,548</u></b>	<b><u>\$ 970,694</u></b>

# LINCOLN COUNTY, NORTH CAROLINA

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

### Note 7. Death Benefit Plan

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

### Note 8. Other Post-Employment Benefits (OPEB)

**Plan Description.** The County administers a single-employer, defined-benefit healthcare plan (the "HCB Plan"), which provides post-retirement healthcare, prescription drug, and dental benefits to retirees of the County, provided that they meet any of the retirement options available through the North Carolina Local Governmental Employees' Retirement System (LGERS), have at least 20 years of creditable service with the Retirement System, and were members before July 1, 2013. The County pays the same cost of coverage for these benefits as current full-time employees pay. Also, retirees can purchase coverage for their dependents at the County's group rates. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Commencement of Service	Years of Creditable Service	County Contribution
Prior to September 1, 2005 with Lincoln County	20	County pays cost of coverage until sooner of 65th birthday or Medicare eligibility, then Medicare supplement until death
Prior to July 1, 2013 with Retirement System	20	County pays cost of coverage until sooner of 65th birthday or Medicare eligibility, then Medicare supplement until death
Prior to July 1, 2013	15	Retiree may participate by paying full cost of coverage until the sooner of 65th birthday or Medicare eligibility
On or after July 1, 2013	Not eligible	Not eligible

# LINCOLN COUNTY, NORTH CAROLINA

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

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

Retirees and dependents receiving benefits	173
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>242</u>
Total	<u><u>415</u></u>

### **Total OPEB Liability**

The County's total OPEB liability of \$52,125,530 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

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

Inflation	2.50%
Payroll growth assumption	3.25%
Salary increases, including wage inflation	
General Employees	3.3% - 8.3%
Firefighters	3.3% - 8.3%
Law Enforcement Officers	3.3% - 7.8%
Municipal Bond Index Rate	
Prior Measurement Date	3.69%
Measurement Date	3.86%
Health Care Cost Trends	
Pre-Medicare	7 % for 2023 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.5 % for 2023 decreasing to an ultimate rate of 4.50% by 2030
Dental	3.50%

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

# LINCOLN COUNTY, NORTH CAROLINA

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

### Changes in the Total OPEB Liability

<b>Balance as of June 30, 2023</b>	\$ 52,297,001
<b>Changes for the year</b>	
Service cost	918,087
Interest	1,897,837
Changes of benefit terms	-
Differences between expected and actual experience	104,295
Changes in assumptions or other inputs	(1,257,180)
Benefit payments	(1,834,510)
Net changes	(171,471)
<b>Balance at June 30, 2024</b>	<b>\$ 52,125,530</b>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.69% to 3.86%

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, 2022 valuation were based on the results of the December 31, 2019 actuarial valuation, adopted by the LGERS Board.

The remaining actuarial assumption (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022 valuation.

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

	<b>1% Decrease (2.86%)</b>	<b>Current Rate (3.86%)</b>	<b>1% Increase (4.86%)</b>
Total OPEB liability	\$ 60,569,918	\$ 52,125,530	\$ 45,400,763

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

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Total OPEB liability	\$ 45,015,451	\$ 52,125,530	\$ 61,111,189

## LINCOLN COUNTY, NORTH CAROLINA

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

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

For the year ended June 30, 2024, the County recognized OPEB expense of (\$418,806). At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 183,096	\$ 2,914,035
Changes of assumptions	3,893,514	6,870,152
County contributions subsequent to the measurement date	1,955,763	-
<b>Total</b>	<b><u>\$ 6,032,373</u></b>	<b><u>\$ 9,784,187</u></b>

\$1,955,763 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ending June 30, 2025.

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB expense as follows:

<b>Measurement Period Ended</b>	
<b>June 30</b>	
2025	\$ (2,508,021)
2026	(2,975,180)
2027	(224,376)
2028	-
2029	-
Thereafter	-
<b>Total</b>	<b><u>\$ (5,707,577)</u></b>

#### Note 9. Closure and Post-Closure Care Costs – Landfill Facility

The County's landfill consists of Phases I through VIII and an area used for construction and debris (C&D) materials. Cells have been constructed in Phase I, II, and III, accordingly, along with the C&D area. Federal and State 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 30 years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,230,087 reported as landfill closure and post-closure care liability at June 30, 2024 represents a cumulative amount reported to date based on the use of landfill capacity in the County's sanitary and C&D

# LINCOLN COUNTY, NORTH CAROLINA

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

landfill sections. The sanitary landfill reported a cumulative amount of \$8,708,061 to date based on the use of 67% of Phase I through IV's estimated capacity. The C&D portion reported a cumulative amount of \$1,522,026 to date based on the use of 90% of estimated capacity. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,458,159 as the remaining estimated capacity is filled. Of this amount, \$4,289,045 is related to the remaining capacity in the sanitary landfill, and \$169,114 is related to the C&D portion. The amounts are based on what it would cost to perform all closure and post-closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects to close Phases I through III in the year 2026 for the sanitary portion and that same year for the C&D portion.

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

### **Note 10. Deferred Outflows and Inflows of Resources**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Deferred charges	\$ 664,950	\$ -
(Pensions, OPEB) - difference between expected and actual experience	4,932,115	3,232,053
(Pensions) - Net difference between projected and actual investment earnings	10,104,722	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	480,601	91,480
(Pensions, OPEB) - change in assumptions	6,067,262	7,431,348
Contributions to pension plan subsequent to measurement date (LGERS, OPEB, LEOSSA)	8,397,547	-
Benefit payments and admin costs paid subsequent to the measurement date (ROD)	9,028	-
Leases		6,065
Prepaid taxes not yet earned	-	402,369
Government-wide deferred outflows and inflows of resources	30,656,225	11,163,315
Taxes receivable, net (General)	-	725,964
Taxes receivable, net (Special Revenue)	-	130,245
Opioid settlement receivable, net (Special Revenue)	-	6,705,218
Other receivables, net (General)	-	411,644
<b>Total</b>	<b>\$ 30,656,225</b>	<b>\$ 19,136,386</b>

### **Note 11. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to the replacement cost of owned property

# **LINCOLN COUNTY, NORTH CAROLINA**

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

subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence; auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation excess coverage up to the statutory limits. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000, up to a \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for worker's compensation. Through the captive, the Liability and Property Pool is reinsured for \$2,000,000 of annual aggregate losses in excess of \$250,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$498 million purchased through a group of commercial carriers through the multi-state public entity captive.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Finance Director is bonded for \$1,000,000. The Controller and Tax Collector are each individually bonded for \$50,000. The Register of Deeds and the Sheriff are each individually bonded for \$25,000. The remaining employees who have access to funds are bonded under a blanket bond for \$250,000.

The County carries flood insurance through the NCACC. This coverage provides flood insurance with a \$25,000 deductible per occurrence.

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

Liabilities of the Health Benefits Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). The County's claims that are incurred, but not reported, are considered a current liability and are included in accounts payable of the Health Benefits Fund and the Workers' Compensation Fund (the internal service funds). The County has recognized provisions of \$2,902,610 for claims incurred, but not reported, in the Health Benefits Fund and \$217,954 for claims incurred, but not reported, in the Workers' Compensation Fund. These provisions are estimated based upon analysis of historical claims experience reviewed by the County's third-party administrator.

Changes in the balances of claims liabilities during the past two years are as follows:

	<b>2024</b>	<b>2023</b>
Unpaid claims, beginning	\$ 2,882,868	\$ 2,615,072
Incurred claims	10,477,773	9,627,370
Claim payments	<u>(10,240,077)</u>	<u>(9,359,574)</u>
Unpaid claims, ending	<u>\$ 3,120,564</u>	<u>\$ 2,882,868</u>

# LINCOLN COUNTY, NORTH CAROLINA

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

### Note 12. Interfund Activity

The transfer to/from other funds for the year ended June 30, 2024 were for the purpose of funding capital projects and consist of the following:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	General Capital Projects Fund	Annual transfer to project fund	\$ 8,900,000
General Fund	School Capital Reserve Fund	Future capital needs	500,000
General Fund	Special Grants Fund	County match for grant projects	538,230
School Capital Reserve Fund	General Fund	Transfer for school monies from the lottery	500,000
E911 Fund	General Capital Projects Fund	Capital project funds	500,000
Water and Sewer Fund	Water & Sewer Capital Projects Fund	Annual transfer to project fund	530,500
General Fund	Health Internal Service Fund	To cover deficit	1,800,000
General Fund	Solid Waste Fund	To cover deficit	650,000
General Fund	Capital Reserve Fund	Annual transfer of 1 cent	3,145,000
Total			<u>\$ 17,063,730</u>

### Note 13. Claims and Judgments

At June 30, 2024 the County was involved in several lawsuits involving damages and potential claims. The exact amount of any claim cannot be determined at this time. It is the opinion of the County Attorney and County management that none of these lawsuits would have any adverse financial impact upon the County or its financial position.

### Note 14. Summary Disclosure of Significant Contingencies

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

### Note 15. Related Organizations

*Carolinas Medical Center – Lincoln* is a 101-bed general and acute care hospital that is owned and operated by the Charlotte-Mecklenburg Hospital Authority (“CMHA”). The Hospital’s facility opened on July 10, 2010 at 433 McAlister Road in Lincolnton. All financial reporting and major decisions other than day-to-day operations are made by CMHA. Lincoln County’s government is not financially responsible for the Hospital and does not participate in its operation.

A 17-member Advisory Board serves as the Hospital’s liaison with the community and acts as ambassadors for the Hospital within the community. Advisory Board members are nominated by the Board’s Governance and Nominating Committee and are approved by the full Advisory Board.

# **LINCOLN COUNTY, NORTH CAROLINA**

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

### **Note 16. Related Party Transactions**

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

#### **Lincoln County ABC Board:**

Payments to the County:	
For profit distributions	\$ 204,000
For law enforcement	45,350
For alcohol education	63,490
	<hr/>
Total	<u>\$ 312,840</u>

### **Note 17. Joint Ventures**

The County, in conjunction with Gaston, Cleveland, Catawba, Burke, Surry, Yadkin and Iredell counties, participates in Partners Behavioral Health Management (“Partners”). Partners manages a comprehensive array of services to children, adolescents, and adults with mental health, substance abuse, and developmental disabilities needs. Service delivered is offered by numerous providers throughout the multi-County area. Partners received the majority of its financial support through federal and State sources, as well as direct payments by clients and insurers for services rendered.

The County has an ongoing financial responsibility to supplement these funds, and for the year ended June 30, 2024 provided \$646,384 in support of Partners’ services, due to unspent funds from prior years in Partners’ possession. The County does not have an equity interest in Partners; therefore, no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for Partners may be obtained from Partners’ administrative offices at 901 South New Hope Road, Gastonia, North Carolina 28054.

The County, in conjunction with the City of Lincolnton, participates in a general aviation airport. The County appoints four out of the five members on the Board, one of which must be a City resident, and the City appoints the remaining member. The Airport is a joint venture established to facilitate economic expansion within the County and to improve the quality of life for its citizens. The Airport has been in existence since 1986, but it is not yet self-sustaining. The County has an ongoing financial responsibility for the Airport, because it and the City are legally obligated under the intergovernmental agreement that created the Airport to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$104,400 to the Airport during the fiscal year ended June 30, 2024. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for the Airport can be obtained from Lincoln County’s administrative offices at PO Box 738, Lincolnton, NC 28093.

### **Note 18. Jointly Governed Organization**

The County, in conjunction with seven other counties and 50 municipalities, established the Centralina Council of Governments (the “Council”). The participating governments established the council to coordinate various funding received from federal and State agencies. Each participating government

# LINCOLN COUNTY, NORTH CAROLINA

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

appoints one member to the Council's governing board. The County paid membership dues of \$26,412 to the Council during the fiscal year ended June 30, 2024.

The County's Board of Commissioners appoints two of the Gaston College trustees. The County provided funding of \$279,499 for operations for the year ended June 30, 2024.

The County's Board of Commissioners appoints one of the Lake Norman Marine Commission Board of Directors. The County provided funding of \$45,000 for the year ended June 30, 2024.

### **Note 19. Change Within the Reporting Entity**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62, in the fiscal year ended June 30, 2024. The Opioid Settlement Fund was previously presented as a major fund. For the fiscal year ended June 30, 2024, it is considered a nonmajor fund. The Fire Districts Fund was previously reported as a nonmajor fund. For the fiscal year ended June 30, 2024, it is considered a major fund. The effect of these changes to or within the reporting entity are shown below:

	Major Funds				Formerly Major Fund		Nonmajor Funds		Total
	General Fund	Fire Fund	Special Fund	Capital Reserve Fund	Opioid Settlement Fund	Governmental Funds	Other Governmental Funds		
		Districts Fund	Grants Fund	Reserve Fund	Settlement Fund	Governmental Funds	Other Governmental Funds		
<b>Fund balances, as previously presented</b>	\$ 71,705,403	\$ -	\$ 2,438,197	\$ 21,097,950	\$ 789,289	\$ 17,640,629	\$ 113,671,468		
Change within financial reporting entity									
- major to nonmajor fund	-	-	-	-	-	(789,289)	789,289	-	-
Fund balances, beginning, restated	71,705,403	-	2,438,197	21,097,950	-	-	18,429,918	113,671,468	
<b>Fund balances, ending</b>	<b>\$ 71,705,403</b>	<b>\$ -</b>	<b>\$ 2,438,197</b>	<b>\$ 21,097,950</b>	<b>\$ -</b>	<b>\$ 18,429,918</b>	<b>\$ 113,671,468</b>		

### **Note 20. Subsequent Event**

In July 2024, the County issued \$27,225,000 for expansion of the Jail facility. These funds have been deposited in an escrow account with NC CLASS, with Truist Bank acting as the Trustee.

Damage in certain areas of the State of North Carolina resulting from Hurricane Helene beginning on September 25, 2024, and continuing, was of sufficient severity and magnitude to warrant a major disaster declaration by the President. Hurricane Helene struck North Carolina and caused serious flooding and wind damage in several counties including areas of Lincoln County. While there has been damage to buildings and other assets, as of the date of this report, it is unknown as to the extent of that damage.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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This section contains additional information required by generally accepted accounting principles

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

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## LINCOLN COUNTY, NORTH CAROLINA

**SCHEDULE OF THE CHANGES IN TOTAL PENSION LIABILITY AND PENSION LIABILITY AS A  
PERCENTAGE OF COVERED EMPLOYEE PAYROLL**

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

**LAST EIGHT FISCAL YEARS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance of the total pension liability	\$ 3,901,463	\$ 4,254,620	\$ 4,561,498	\$ 2,716,033	\$ 2,265,319	\$ 2,320,148	\$ 2,102,988	\$ 2,030,142
Service cost	206,806	268,641	254,382	165,291	137,311	142,100	122,073	122,695
Interest on the total pension liability	163,306	94,120	86,979	86,821	80,809	72,123	79,548	71,269
Differences between expected and actual experience in the measurement of the total pension liability								
305,202	161,471	(420,880)	426,784	239,370	(100,372)	(58,864)	-	-
105,586	(734,386)	(117,717)	1,272,201	83,810	(93,140)	158,714	(53,489)	(53,489)
(224,921)	(143,003)	(109,642)	(105,632)	(90,586)	(75,540)	(84,311)	(67,629)	(67,629)
Ending balance of the total pension liability	<b>\$ 4,457,442</b>	<b>\$ 3,901,463</b>	<b>\$ 4,254,620</b>	<b>\$ 4,561,498</b>	<b>\$ 2,716,033</b>	<b>\$ 2,265,319</b>	<b>\$ 2,320,148</b>	<b>\$ 2,102,988</b>
Covered employee payroll	\$ 7,963,641	\$ 7,164,412	\$ 6,592,637	\$ 6,454,955	\$ 5,553,346	\$ 5,139,122	\$ 4,882,311	\$ 4,574,742
Total pension liability as a percentage of covered employee payroll	55.97%	54.46%	64.54%	70.67%	48.91%	44.08%	47.52%	45.97%

**Notes to the Required Schedules:**

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

Lincoln County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 nor does the plan provide pay related benefits.

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

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Local Governmental Employees' Retirement System						
	2024	2023	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.56636%	0.55095%	0.51956%	0.53182%	0.50284%	0.48901%	0.48765%
County's proportionate share of the net pension liability (asset) (\$)	\$ 37,510,780	\$ 31,081,448	\$ 7,967,951	\$ 19,004,194	\$ 13,732,168	\$ 11,600,990	\$ 7,449,941
County's covered payroll	\$ 43,968,454	\$ 43,515,964	\$ 37,578,807	\$ 36,390,836	\$ 34,211,530	\$ 30,707,248	\$ 28,920,587
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	85.31%	71.43%	21.20%	52.22%	40.14%	37.78%	25.76%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.85%	91.63%	94.18%
						91.47%	91.47%
						98.09%	98.09%
						102.64%	102.64%

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

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

## LINCOLN COUNTY, NORTH CAROLINA

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

## Local Governmental Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 6,319,077	\$ 5,613,841	\$ 4,972,393	\$ 3,847,368	\$ 3,296,009	\$ 2,688,102	\$ 2,339,096	\$ 2,141,858	\$ 1,925,926	\$ 1,892,547
Contributions in relation to the contractually required contribution	6,319,077	5,613,841	4,972,393	3,847,368	3,296,009	2,688,102	2,339,096	2,141,858	1,925,926	1,892,547
Contribution deficiency (excess)	\$ <u>        </u> <u>        </u>									
County's covered payroll	\$ 46,781,776	\$ 43,968,454	\$ 43,515,964	\$ 37,578,807	\$ 36,390,836	\$ 34,211,530	\$ 30,707,248	\$ 28,920,587	\$ 28,375,873	\$ 26,371,714
Contributions as a percentage of covered payroll	13.51%	12.77%	11.43%	10.24%	9.06%	7.86%	7.62%	7.41%	6.79%	7.18%

## LINCOLN COUNTY, NORTH CAROLINA

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

## Register of Deeds' Supplemental Pension Fund

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) (%)	1.06809%	0.99704%	1.02566%	0.95985%	0.81840%	0.95402%	0.92902%	0.89590%	0.84183%	0.80800%
County's proportionate share of the net pension liability (asset) (\$)	\$ (128,352)	\$ (132,008)	\$ (197,060)	\$ (219,978)	\$ (161,569)	\$ (158,014)	\$ (158,574)	\$ (167,497)	\$ (195,086)	\$ (183,245)
Plan fiduciary net position as a percentage of the total pension liability**	135.74%	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%

\* 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.

## LINCOLN COUNTY, NORTH CAROLINA

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

## Register of Deeds' Supplemental Pension Fund

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 9,028	\$ 9,532	\$ 11,430	\$ 12,309	\$ 9,191	\$ 7,779	\$ 8,164	\$ 8,072	\$ 7,320	\$ 6,736
Contributions in relation to the contractually required contribution	9,028	9,532	11,430	12,309	9,191	7,779	8,164	8,072	7,320	6,736
Contribution deficiency (excess)	<u>\$ -</u>									

## LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF THE CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS\*

	2024	2023	2022	2021	2020	2019	2018
Beginning balance	\$ 52,297,001	\$ 66,094,964	\$ 64,126,575	\$ 55,722,570	\$ 50,470,936	\$ 51,200,087	\$ 54,218,205
Service cost	918,087	1,396,640	1,350,071	1,320,880	1,179,195	1,530,860	1,744,086
Interest on the total OPEB liability	1,897,837	1,410,231	1,405,728	1,969,263	1,929,361	1,799,667	1,611,903
Differences between expected and actual experience	104,295	(3,499,128)	-	(4,788,884)	443,027	(260,403)	238,436
Changes of assumptions or other inputs	(1,257,180)	(11,385,987)	673,093	11,473,854	3,462,816	(2,492,541)	(5,269,369)
Benefit payments	(1,834,510)	(1,719,719)	(1,460,503)	(1,571,108)	(1,762,765)	(1,306,734)	(1,343,174)
Ending balance of the total OPEB liability	<u>\$ 52,125,530</u>	<u>\$ 52,297,001</u>	<u>\$ 66,094,964</u>	<u>\$ 64,126,575</u>	<u>\$ 55,722,570</u>	<u>\$ 50,470,936</u>	<u>\$ 51,200,087</u>
Covered employee payroll	\$ 13,676,461	\$ 13,676,461	\$ 14,509,648	\$ 14,509,648	\$ 16,586,437	\$ 16,586,437	\$ 17,459,427
Total OPEB liability as a percentage of covered employee payroll	381.13%	382.39%	455.52%	441.96%	335.95%	304.29%	293.25%
Notes to Schedule							

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

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

\* Plan measurement date is one year prior to the reporting date.

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

## **GOVERNMENTAL ACTIVITIES MAJOR FUNDS**

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### **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

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**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Ad Valorem Taxes</b>			
Current year	\$ 93,727,344		
Prior years	370,880		
Penalties and interest	373,120		
<b>Total</b>	<u>\$ 91,168,700</u>	<u>94,471,344</u>	<u>\$ 3,302,644</u>
<b>Local Option Sales Taxes:</b>			
Article 39 one percent	15,499,357		
Article 40 one-half of one percent	7,908,214		
Article 42 one-half of one percent	7,807,064		
Article 44 one-half of one percent	2,348,722		
Article 46 one-quarter of one percent	3,982,088		
Medicaid hold harmless	2,275,837		
<b>Total</b>	<u>31,930,000</u>	<u>39,821,282</u>	<u>7,891,282</u>
<b>Other Taxes and Licenses:</b>			
Real estate transfer tax	2,082,289		
Local occupancy tax and car rental tax	454,227		
Utility franchise tax	179,939		
<b>Total</b>	<u>2,011,000</u>	<u>2,716,455</u>	<u>705,455</u>
<b>Unrestricted Intergovernmental Revenues:</b>			
Beer and wine tax	300,000	392,434	92,434
<b>Restricted Intergovernmental Revenues:</b>			
Federal and State grants	10,897,431		
Court facilities fees	79,071		
ABC revenue	362,024		
Local/Other	882,002		
<b>Total</b>	<u>13,334,330</u>	<u>12,220,528</u>	<u>(1,113,802)</u>
<b>Permits and Fees:</b>			
Planning and Building permits	1,951,357		
Concealed carry permits	172,410		
Fire marshal	34,575		
Register of Deeds	548,521		
Environmental health	354,579		
Other permits and fees	1,322		
<b>Total</b>	<u>2,859,900</u>	<u>3,062,764</u>	<u>202,864</u>
<b>Sales and Services:</b>			
Rents, concessions, and fees	388,564		
Emergency medical services	4,860,623		
Animal services	44,818		
Sheriff department	176,852		

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Transportation services	980,796		
Human services	1,123,983		
Other sales and services	493,855		
<b>Total</b>	<b>5,878,558</b>	<b>8,069,491</b>	<b>2,190,933</b>
<b>Miscellaneous:</b>			
Sale of property	76,295		
Contributions	210,726		
Indirect fees	902,961		
Other	470,494		
<b>Total</b>	<b>1,046,075</b>	<b>1,660,476</b>	<b>614,401</b>
<b>Investment Earnings</b>	<b>2,570,045</b>	<b>4,402,693</b>	<b>1,832,648</b>
<b>Total revenues</b>	<b>151,098,608</b>	<b>166,817,467</b>	<b>15,718,859</b>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Governing Body:</b>			
Salaries and employee benefits	189,410		
Other operating expenditures	283,692		
Capital outlay	2,811		
<b>Total</b>	<b>475,913</b>		
<b>County Manager:</b>			
Salaries and employee benefits	646,542		
Other operating expenditures	35,312		
Capital outlay	2,871		
<b>Total</b>	<b>684,725</b>		
<b>Human Resources:</b>			
Salaries and employee benefits	447,982		
Other operating expenditures	66,579		
Capital outlay	4,548		
<b>Total</b>	<b>519,109</b>		
<b>Finance:</b>			
Salaries and employee benefits	1,224,077		
Other operating expenditures	141,385		
Capital outlay	10,064		
<b>Total</b>	<b>1,375,526</b>		

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Information Technology:</b>			
Salaries and employee benefits	1,139,722		
Other operating expenditures	649,585		
Capital outlay	883,725		
Total	<u>2,673,032</u>		
<b>Safety and Training:</b>			
Other operating expenditures	<u>42,886</u>		
<b>Taxes:</b>			
Salaries and employee benefits	2,174,601		
Other operating expenditures	695,407		
Capital outlay	94,828		
Total	<u>2,964,836</u>		
<b>Legal:</b>			
Salaries and employee benefits	197,468		
Other operating expenditures	55,904		
Total	<u>253,372</u>		
<b>Elections:</b>			
Salaries and employee benefits	435,967		
Other operating expenditures	236,812		
Capital outlay	81,928		
Total	<u>754,707</u>		
<b>Register of Deeds:</b>			
Salaries and employee benefits	623,241		
Other operating expenditures	1,184,810		
Capital outlay	10,050		
Total	<u>1,818,101</u>		
<b>Central Services:</b>			
Other operating expenditures	<u>1,356,363</u>		
<b>Facilities Management:</b>			
Salaries and employee benefits	2,470,078		
Other operating expenditures	2,242,172		
Capital outlay	663,062		
Total	<u>5,375,312</u>		
<b>District Court:</b>			
Other operating expenditures	<u>245,133</u>		

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		133,993	
<b>Total general government</b>	<u>20,399,548</u>	<u>18,673,008</u>	<u>1,726,540</u>
<b>Public Safety:</b>			
<b>Sheriff Department:</b>			
Salaries and employee benefits		13,650,999	
Other operating expenditures		2,368,091	
Capital outlay		3,014,195	
<b>Total</b>	<u>19,033,285</u>		
<b>Communications:</b>			
Salaries and employee benefits		1,754,658	
Other operating expenditures		318,355	
Capital outlay		106,080	
<b>Total</b>	<u>2,179,093</u>		
<b>School Resources Officers</b>			
Salaries and employee benefits		1,564,181	
Other operating expenditures		466,963	
Capital outlay		30,025	
<b>Total</b>	<u>2,061,169</u>		
<b>Jail:</b>			
Salaries and employee benefits		3,526,729	
Other operating expenditures		1,413,103	
Capital outlay		64,337	
<b>Total</b>	<u>5,004,169</u>		
<b>Jail Commissary:</b>			
Other operating expenditures		80,788	
Capital outlay		34,448	
<b>Total</b>	<u>115,236</u>		
<b>Emergency Management:</b>			
Salaries and employee benefits		256,917	
Other operating expenditures		134,653	
Capital outlay		51,824	
<b>Total</b>	<u>443,394</u>		
<b>Emergency Medical Services:</b>			
Salaries and employee benefits		6,542,597	
Other operating expenditures		1,511,107	
Capital outlay		202,414	
<b>Total</b>	<u>8,256,118</u>		

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Medical Examiner:</b>			
Other operating expenditures		71,412	
<b>Fire Marshal:</b>			
Salaries and employee benefits	420,277		
Other operating expenditures	61,133		
Capital outlay	153,714		
Total	635,124		
<b>Assistance to Local Volunteer Fire Departments:</b>			
Other operating expenditures		99,490	
<b>Inspections:</b>			
Salaries and employee benefits	1,637,025		
Other operating expenditures	361,359		
Capital outlay	172,719		
Total	2,171,103		
<b>Animal Services:</b>			
Salaries and employee benefits	1,240,660		
Other operating expenditures	512,296		
Capital outlay	248,185		
Total	2,001,141		
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		54,510	
<b>Total public safety</b>	47,884,017	42,125,244	5,758,773
<b>Transportation:</b>			
<b>Transportation Lincoln County:</b>			
Salaries and employee benefits	1,210,713		
Other operating expenditures	238,272		
Total	1,448,985		
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		104,400	
<b>Total transportation</b>	1,832,743	1,553,385	279,358
<b>Economic and Physical Development:</b>			
<b>Planning:</b>			
Salaries and employee benefits	686,471		
Other operating expenditures	88,182		
Total	774,653		

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Soil and Water Conservation:</b>			
Salaries and employee benefits		214,453	
Other operating expenditures		18,303	
Total		<u>232,756</u>	
<b>Natural Resources:</b>			
Salaries and employee benefits		244,583	
Other operating expenditures		16,676	
Total		<u>261,259</u>	
<b>Economic Development Commission/Projects:</b>			
Other operating expenditures		<u>1,785,492</u>	
<b>Cooperative Extension:</b>			
Salaries and employee benefits		71,009	
Other operating expenditures		213,825	
Total		<u>284,834</u>	
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		<u>52,598</u>	
<b>Total economic and physical development</b>	<u>3,912,788</u>	<u>3,391,592</u>	<u>521,196</u>
<b>Culture and Recreation:</b>			
<b>Library:</b>			
Salaries and employee benefits		1,482,050	
Other operating expenditures		884,949	
Capital outlay		179,698	
Total		<u>2,546,697</u>	
<b>Recreation:</b>			
Salaries and employee benefits		698,920	
Other operating expenditures		269,476	
Capital outlay		88,772	
Total		<u>1,057,168</u>	
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		<u>278,386</u>	
<b>Total culture and recreation</b>	<u>4,480,378</u>	<u>3,882,251</u>	<u>598,127</u>
<b>Education:</b>			
Public schools - current expense		26,816,196	
Public schools		6,211,179	
Community college - current expense		279,499	
Total		<u>33,306,874</u>	

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		35,000	
<b>Total education</b>	<u>33,659,786</u>	<u>33,341,874</u>	<u>317,912</u>
<b>Human Services:</b>			
<b>Health Administration:</b>			
Salaries and employee benefits		1,000,589	
Other operating expenditures		218,209	
Capital outlay		2,044	
<b>Total</b>	<u>1,220,842</u>		
<b>Immunization:</b>			
Salaries and employee benefits		81,984	
Other operating expenditures		59,013	
Reimbursement - special revenue funds		(1,815)	
<b>Total</b>	<u>139,182</u>		
<b>Adult Health:</b>			
Salaries and employee benefits		63,379	
Other operating expenditures		6,183	
<b>Total</b>	<u>69,562</u>		
<b>BCCP - Health:</b>			
Salaries and employee benefits		31,553	
Other operating expenditures		15,148	
<b>Total</b>	<u>46,701</u>		
<b>Communicable Disease:</b>			
Salaries and employee benefits		188,498	
Other operating expenditures		17,159	
Reimbursement - special revenue funds		(23,422)	
<b>Total</b>	<u>182,235</u>		
<b>Lab:</b>			
Salaries and employee benefits		148,604	
Other operating expenditures		25,237	
<b>Total</b>	<u>173,841</u>		
<b>Contracted Services:</b>			
Salaries and employee benefits		633,314	
Other operating expenditures		31,696	
Reimbursement - special revenue funds		(4)	
<b>Total</b>	<u>665,006</u>		

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Health Promotion:</b>			
Salaries and employee benefits		33,239	
Other operating expenditures		4,630	
Total		<u>37,869</u>	
<b>Substance Use Prevention</b>			
Salaries and employee benefits		83,803	
Other operating expenditures		2,607	
Reimbursement - special revenue funds		(6,760)	
Total		<u>79,650</u>	
<b>CMHRC Care Management</b>			
Salaries and employee benefits		207,103	
Other operating expenditures		5,724	
Total		<u>212,827</u>	
<b>Maternal Health Clinic:</b>			
Salaries and employee benefits		62,970	
Other operating expenditures		715	
Total		<u>63,685</u>	
<b>Family Planning:</b>			
Salaries and employee benefits		161,164	
Other operating expenditures		50,492	
Total		<u>211,656</u>	
<b>Child Health:</b>			
Salaries and employee benefits		64,336	
Other operating expenditures		4,108	
Total		<u>68,444</u>	
<b>CMARC Care Management</b>			
Salaries and employee benefits		110,276	
Other operating expenditures		4,095	
Total		<u>114,371</u>	
<b>Women, Infants, and Children:</b>			
Salaries and employee benefits		475,873	
Other operating expenditures		21,542	
Total		<u>497,415</u>	
<b>School Health:</b>			
Salaries and employee benefits		1,091,308	
Other operating expenditures		22,234	
Total		<u>1,113,542</u>	

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Peer Counselor:</b>			
Salaries and employee benefits		27,164	
<b>Public Health Preparedness:</b>			
Salaries and employee benefits		100,627	
Other operating expenditures		5,648	
Total		106,275	
<b>Environmental Health:</b>			
Salaries and employee benefits		804,505	
Other operating expenditures		90,574	
Capital outlay		33,308	
Reimbursement - special revenue funds		(11,652)	
Total		916,735	
<b>Social Services Administration:</b>			
Salaries and employee benefits		1,680,941	
Other operating expenditures		592,390	
Capital outlay		110,625	
Total		2,383,956	
<b>Children's Services:</b>			
Salaries and employee benefits		3,356,647	
Other operating expenditures		1,000,870	
Total		4,357,517	
<b>Adult Services:</b>			
Salaries and employee benefits		1,059,187	
Other operating expenditures		384,072	
Total		1,443,259	
<b>State In-Home Care:</b>			
Other operating expenditures		6,996	
<b>Office on Aging - HCCBG:</b>			
Other operating expenditures		229,151	
<b>Child Support Enforcement:</b>			
Salaries and employee benefits		728,931	
Other operating expenditures		18,861	
Total		747,792	
<b>Guardianship</b>			
Other operating expenditures		56,601	

**LINCOLN COUNTY, NORTH CAROLINA**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Community Alternative Programs - Disabled Adults</b>			
Other operating expenditures		39,903	
<b>TANF Program:</b>			
Salaries and employee benefits		384,507	
Other operating expenditures		1,357	
Total		385,864	
<b>Family Medicaid:</b>			
Salaries and employee benefits		1,266,409	
Other operating expenditures		3,775	
Total		1,270,184	
<b>Adult Medicaid:</b>			
Salaries and employee benefits		1,209,244	
Other operating expenditures		15,415	
Total		1,224,659	
<b>Food and Nutrition:</b>			
Salaries and employee benefits		1,112,279	
Other operating expenditures		233,760	
Total		1,346,039	
<b>Food and Nutrition - Fraud:</b>			
Salaries and employee benefits		81,025	
Other operating expenditures		108	
Total		81,133	
<b>Assistance Programs:</b>			
SA Blind		4,643	
<b>Seniors' Health Insurance Information Program:</b>			
Other operating expenditures		24,558	
<b>Veterans Service Office:</b>			
Salaries and employee benefits		223,596	
Other operating expenditures		15,446	
Total		239,042	
<b>Juvenile Crime Prevention Council:</b>			
Salaries and employee benefits		9,344	
Other operating expenditures		222,828	
Total		232,172	

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Senior Services:</b>			
Salaries and employee benefits		343,846	
Other operating expenditures		288,183	
Capital outlay		1,659	
Total		<u>633,688</u>	
<b>Special Appropriations/Outside Agencies:</b>			
Other operating expenditures		<u>656,384</u>	
<b>Total human services</b>	<u>24,061,528</u>	<u>21,310,543</u>	<u>2,750,985</u>
<b>Debt Service:</b>			
Principal retirement		12,054,292	
Interest and fees		<u>2,413,357</u>	
<b>Total debt service</b>	<u>14,512,281</u>	<u>14,467,649</u>	<u>44,632</u>
<b>Total expenditures</b>	<u>150,743,069</u>	<u>138,745,546</u>	<u>11,997,523</u>
<b>Revenues over (under) expenditures</b>	<u>355,539</u>	<u>28,071,921</u>	<u>27,716,382</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds:			
School Capital Reserve Fund	500,000	500,000	-
Transfers to other funds:			
General Capital Projects Fund	(8,900,000)	(8,900,000)	-
Special Grants Fund	(594,805)	(538,230)	56,575
School Capital Reserve Fund	(500,000)	(500,000)	-
Capital Reserve Fund	(3,145,000)	(3,145,000)	-
Solid Waste	(650,000)	(650,000)	-
Health Insurance Fund	(1,800,000)	(1,800,000)	-
Fund balance appropriated	<u>14,734,266</u>	-	<u>(14,734,266)</u>
<b>Total other financing sources (uses)</b>	<u>(355,539)</u>	<u>(15,033,230)</u>	<u>(14,677,691)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>13,038,691</u>	<u>\$ 13,038,691</u>
<b>Fund Balance, beginning</b>		<u>71,705,403</u>	
<b>Fund Balance, ending</b>		<u>\$ 84,744,094</u>	

## **GOVERNMENTAL ACTIVITIES OTHER MAJOR FUNDS**

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### **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for special purposes.

*Fire Districts Fund* – This fund accounts for the tax revenues collected by the County on behalf of the eleven fire districts located within the County.

*Special Grants Fund* – This fund accounts for financial resources of various federal, State and local grants that span more than one fiscal year and are not accounted for by an individual fund.

### **CAPITAL PROJECTS FUND**

Capital Projects Funds account for funds to be used for the acquisition or construction of major capital facilities other than those financed by propriety funds.

*Capital Reserve Fund* – This fund is used to accumulate and fund Capital Improvement Plan projects for Governmental Funds.

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## LINCOLN COUNTY, NORTH CAROLINA

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 18,391,747	\$ 17,857,976	\$ (533,771)
<b>Expenditures:</b>			
Alexis Fire District	736,859	699,487	37,372
Boger City Fire District	1,562,773	1,501,805	60,968
Crouse Fire District	312,532	283,319	29,213
Denver Fire District	4,665,931	4,546,659	119,272
East Lincoln Fire District	5,857,418	5,745,536	111,882
Howard's Creek Fire District	709,880	692,294	17,586
North 321 Fire District	1,270,761	1,246,213	24,548
North Brook Fire District	631,262	603,762	27,500
Pumpkin Center Fire District	1,162,756	1,115,324	47,432
South Fork Fire District	784,630	766,096	18,534
Union Fire District	696,945	657,481	39,464
<b>Total expenditures</b>	<b>18,391,747</b>	<b>17,857,976</b>	<b>533,771</b>
Net change in fund balance	\$ -	-	\$ -
<b>Fund Balance, beginning</b>			
<b>Fund Balance, ending</b>			

**LINCOLN COUNTY, NORTH CAROLINA**

**MAJOR SPECIAL REVENUE - SPECIAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Project Authorization</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Restricted intergovernmental revenue				
Federal and State grants	\$ 41,618,906	\$ 3,269,826	\$ 7,214,160	\$ 10,483,986
Local	39,850	39,850	-	39,850
Sales and Service - Fees	200,000	109,861	52,394	162,255
Investment earnings	89,937	532,181	825,750	1,357,931
Total revenues	<u>41,948,693</u>	<u>3,951,718</u>	<u>8,092,304</u>	<u>12,044,022</u>
<b>Expenditures:</b>				
General government				
Interactive Voice Response System	132,554	36,553	24,000	60,553
Register of Deeds Automation	290,216	73,291	91,394	164,685
HVAC Upgrades	3,427,450	1,142,436	1,337,400	2,479,836
Old Courthouse Renovation	4,539,850	113,956	464,100	578,056
Cleveland County Passthroughs	760,000	-	84,367	84,367
SCIF General Projects	2,000,000	717,779	112,475	830,254
SCIF Alexander	970,855	30,000	940,855	970,855
Audio Video Equipment	200,000	-	186,553	186,553
Public safety				
SCIF General Projects	700,000	12,150	62,590	74,740
Enforcing the Law	87,270	56,530	-	56,530
SAMHSA grant	199,946	145,400	235	145,635
Radio Replacements	5,000,000	-	-	-
Transportation				
Transportation Lincoln County vehicles	1,020,750	12,650	884,319	896,969
Rural State Operating Program	156,000	-	156,000	156,000
Lincolnton-Lincoln County Airport	513,939	9,224	260,737	269,961
Catawba Springs Traffic	474,226	48,905	422,531	471,436
St. James Traffic	375,248	49,375	321,557	370,932
Charter School Traffic	417,000	-	-	-
Economic and physical development				
Essential Single Family Rehab	190,000	-	-	-
StRAP Program	273,392	-	252,159	252,159
Culture and recreation				
Healthy Habits	45,991	-	42,161	42,161
LSTA STEM Vehicle	125,000	-	-	-
Library Capital	18,000,000	-	1,628,337	1,628,337
Library Digitization	245,000	-	-	-
SCIF Rescue Park Soccer	1,354,390	-	1,327,815	1,327,815
Human services				
AA716	60,982	32,720	18,184	50,904
AA543	869,762	692,228	166,229	858,457
AA546	332,066	123,106	180,447	303,553

**LINCOLN COUNTY, NORTH CAROLINA**

**MAJOR SPECIAL REVENUE - SPECIAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Project Authorization</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
AA361	115,000	-	-	-
AA117	227,415	-	-	-
AA121	50,000	-	-	-
AA874	11,652	-	11,652	11,652
AA620	84,421	25,873	-	25,873
COSSUP	1,000,000	-	46,929	46,929
MIPPA grants	9,089	2,788	6,195	8,983
ARPA Senior Services	148,083	111,120	36,092	147,212
ARPA Centralina for Senior Services	28,514	-	26,649	26,649
<b>Total expenditures</b>	<b>44,436,061</b>	<b>3,436,084</b>	<b>9,091,962</b>	<b>12,528,046</b>
Revenues over (under) expenditures	(2,487,368)	515,634	(999,658)	(484,024)
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds				
General Fund	2,487,368	1,922,563	538,230	2,460,793
Net change in fund balance	\$ -	\$ 2,438,197	(461,428)	\$ 1,976,769
<b>Fund Balance, beginning</b>			<b>2,438,197</b>	
<b>Fund Balance, ending</b>				<b>\$ 1,976,769</b>

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 1,016,935	\$ 1,016,935
Total revenues	<u>-</u>	<u>1,016,935</u>	<u>1,016,935</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds			
General Fund	3,145,000	3,145,000	-
Transfers to other funds			
General Capital Projects Fund	(3,145,000)	-	3,145,000
Total other financing sources (uses)	<u>-</u>	<u>3,145,000</u>	<u>3,145,000</u>
Net change in fund balance	<u>\$ -</u>	<u>4,161,935</u>	<u>\$ 4,161,935</u>
<b>Fund Balance, beginning</b>		<u>21,097,950</u>	
<b>Fund Balance, ending</b>		<u>\$ 25,259,885</u>	

## **GOVERNMENTAL ACTIVITIES NONMAJOR FUNDS**

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### **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for special purposes.

*Law Enforcement Fund* – This fund is used to account for the revenue received by the Sheriff's Department from the controlled substance tax and the expenditure of those funds to deter and investigate drug crimes.

*Federal Law Enforcement Fund* – This fund is used to account for the revenue received by the Sheriff's Department through the federal Equitable Sharing Program and the expenditure of those funds to further narcotics enforcement efforts.

*Emergency Telephone System Fund* – Established in accordance with North Carolina law to account for the revenues received by the Communication Center for the 911 charges and the expenditure of those funds for the emergency telephone systems.

*Representative Payee Fund* – This fund accounts for financial resources on behalf of anyone that is not capable of managing their own benefits.

*Opioid Settlement Fund* – This fund accounts for allocations received from the “National Opioid Settlement Agreement”. These funds are to be used specifically for expenditures related to opioid remediation activities.

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds account for funds to be used for the acquisition or construction of major capital facilities other than those financed by propriety funds.

*General Capital Projects Fund* – This fund is used to account for financial resources to be used for the acquisition or construction of general capital projects not accounted for by an individual fund.

*School Capital Reserve Fund* – This fund is used to account for the accumulation of funds received from lottery proceeds for the public schools and for transfers of these funds to the General Fund approved to fund debt service.

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LINCOLN COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Special Revenue Funds				
	Law Enforcement Fund	Federal Law Enforcement Fund	Telephone Systems Fund	Representative Payee Fund	Opioid Settlement Fund
	Emergency				
<b>Assets:</b>					
Cash and cash equivalents	\$ 62,170	\$ 425,675	\$ 160,149	\$ 111,658	\$ -
Accounts receivable, net	24	12,612	61	-	6,706,147
Due from other governments	820	4,344	25,499	-	-
Cash and cash equivalents, restricted	-	-	-	-	2,433,295
Total assets	<u>\$ 63,014</u>	<u>\$ 442,631</u>	<u>\$ 185,709</u>	<u>\$ 111,658</u>	<u>\$ 9,139,442</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and other accrued liabilities	\$ -	\$ 1,437	\$ 1,199	\$ 4,850	\$ -
Advance from grantor	-	-	-	-	-
Liabilities to be paid from restricted assets:					
Accounts Payable	-	-	-	-	13,681
Total liabilities	<u>-</u>	<u>1,437</u>	<u>1,199</u>	<u>4,850</u>	<u>13,681</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	6,705,218
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,705,218</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Stabilization by State statute	844	16,956	25,560	-	929
Public safety	62,170	424,238	158,950	-	1,234,175
Human Services	-	-	-	106,808	1,185,439
<b>Committed:</b>					
Future capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>63,014</u>	<u>441,194</u>	<u>184,510</u>	<u>106,808</u>	<u>2,420,543</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 63,014</u>	<u>\$ 442,631</u>	<u>\$ 185,709</u>	<u>\$ 111,658</u>	<u>\$ 9,139,442</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>Capital Project Funds</b>		
	<b>General Capital Projects Fund</b>	<b>School Capital Reserve Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 15,002,952	\$ 3,055,207	\$ 18,817,811
Accounts receivable, net	6,334	1,167	6,726,345
Due from other governments	209,845	-	240,508
Cash and cash equivalents, restricted	2,148,226	-	4,581,521
Total assets	<u>\$ 17,367,357</u>	<u>\$ 3,056,374</u>	<u>\$ 30,366,185</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	\$ 530,574	\$ -	\$ 538,060
Advance from grantor	1,600,000	-	1,600,000
Liabilities to be paid from restricted assets:			
Accounts Payable	50,541	-	64,222
Total liabilities	<u>2,181,115</u>	<u>-</u>	<u>2,202,282</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	-	-	6,705,218
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>6,705,218</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	33,850,287	1,167	33,895,743
Public safety	497,685	-	2,377,218
Human Services	-	-	1,292,247
Committed:			
Future capital projects	-	3,055,207	3,055,207
Unassigned	(19,161,730)	-	(19,161,730)
Total fund balances	<u>15,186,242</u>	<u>3,056,374</u>	<u>21,458,685</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,367,357</u>	<u>\$ 3,056,374</u>	<u>\$ 30,366,185</u>

LINCOLN COUNTY, NORTH CAROLINA

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

	Special Revenue Funds				
	Law Enforcement Fund	Federal Law Enforcement Fund	Telephone Systems Fund	Representative Payee Fund	Opioid Settlement Fund
	Emergency				
<b>Revenues:</b>					
Restricted intergovernmental revenue	\$ 26,113	\$ 205,756	\$ 236,270	\$ 175,078	\$ 1,638,522
Investment earnings	2,771	17,087	22,026	-	75,773
<b>Total revenues</b>	<b>28,884</b>	<b>222,843</b>	<b>258,296</b>	<b>175,078</b>	<b>1,714,295</b>
<b>Expenditures:</b>					
Current:					
Public safety	11,717	123,212	161,279	-	64,985
Human services	-	-	-	179,660	18,056
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>11,717</b>	<b>123,212</b>	<b>161,279</b>	<b>179,660</b>	<b>83,041</b>
Revenues over (under) expenditures	17,167	99,631	97,017	(4,582)	1,631,254
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	(500,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	17,167	99,631	(402,983)	(4,582)	1,631,254
<b>Fund balances, as previously presented</b>	<b>45,847</b>	<b>341,563</b>	<b>587,493</b>	<b>111,390</b>	<b>-</b>
Change within financial reporting entity					
- major to nonmajor fund	-	-	-	-	789,289
Fund balances, beginning, restated	45,847	341,563	587,493	111,390	789,289
<b>Fund balances, ending</b>	<b>\$ 63,014</b>	<b>\$ 441,194</b>	<b>\$ 184,510</b>	<b>\$ 106,808</b>	<b>\$ 2,420,543</b>

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Capital Project Funds</b>		
	<b>General Capital Projects Fund</b>	<b>School Capital Reserve Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Restricted intergovernmental revenue	\$ -	\$ 1,532,400	\$ 3,814,139
Investment earnings	506,082	72,339	696,078
<b>Total revenues</b>	<b>506,082</b>	<b>1,604,739</b>	<b>4,510,217</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	361,193
Human services	-	-	197,716
Capital outlay	9,822,541	-	9,822,541
<b>Total expenditures</b>	<b>9,822,541</b>	<b>-</b>	<b>10,381,450</b>
Revenues over (under) expenditures	(9,316,459)	1,604,739	(5,871,233)
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	9,400,000	500,000	9,900,000
Transfers to other funds	-	(500,000)	(1,000,000)
<b>Total other financing sources (uses)</b>	<b>9,400,000</b>	<b>-</b>	<b>8,900,000</b>
Net change in fund balances	83,541	1,604,739	3,028,767
<b>Fund balances, as previously presented</b>	<b>15,102,701</b>	<b>1,451,635</b>	<b>17,640,629</b>
Change within financial reporting entity			
- major to nonmajor fund	-	-	789,289
Fund balances, beginning, restated	15,102,701	1,451,635	18,429,918
<b>Fund balances, ending</b>	<b>\$ 15,186,242</b>	<b>\$ 3,056,374</b>	<b>\$ 21,458,685</b>

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Restricted intergovernmental			
Federal	\$ 12,086	\$ 26,113	\$ 14,027
Investment earnings	-	2,771	2,771
Total revenues	<u>12,086</u>	<u>28,884</u>	<u>16,798</u>
<b>Expenditures:</b>			
Public safety			
Capital Outlay	<u>12,086</u>	<u>11,717</u>	<u>369</u>
Net change in fund balance	<u>\$ -</u>	<u>17,167</u>	<u>\$ 17,167</u>
<b>Fund Balance, beginning</b>		<u>45,847</u>	
<b>Fund Balance, ending</b>		<u>\$ 63,014</u>	

## LINCOLN COUNTY, NORTH CAROLINA

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Restricted intergovernmental revenue			
Federal	\$ -	\$ 205,756	\$ 205,756
Investment earnings	-	17,087	17,087
Total revenues	<u>-</u>	<u>222,843</u>	<u>222,843</u>
<b>Expenditures:</b>			
Public Safety:			
Other operating expenditures		53,887	
Capital outlay		69,325	
Total expenditures	<u>153,100</u>	<u>123,212</u>	<u>29,888</u>
Revenues over (under) expenditures	(153,100)	99,631	252,731
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>153,100</u>	<u>-</u>	<u>(153,100)</u>
Net change in fund balance	<u>\$ -</u>	<u>99,631</u>	<u>\$ 99,631</u>
<b>Fund Balance, beginning</b>		<u>341,563</u>	
<b>Fund Balance, ending</b>		<u>\$ 441,194</u>	

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Restricted Intergovernmental:			
North Carolina 911 funds	\$ 200,000	\$ 236,270	\$ 36,270
Investment earnings	-	22,026	22,026
Total revenues	<u>200,000</u>	<u>258,296</u>	<u>58,296</u>
<b>Expenditures:</b>			
Public Safety:			
Other operating expenditures	<u>200,000</u>	<u>161,279</u>	<u>38,721</u>
Revenues over (under) expenditures	-	97,017	97,017
<b>Other Financing Sources:</b>			
Transfers to other funds			
General Capital Projects Fund	(500,000)	(500,000)	-
Fund balance appropriated	500,000	-	(500,000)
Total other financing sources (uses)	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(402,983)</u>	<u>\$ (402,983)</u>
<b>Fund Balance, beginning</b>		<u>587,493</u>	
<b>Fund Balance, ending</b>	<u>\$ 184,510</u>		

**LINCOLN COUNTY, NORTH CAROLINA****EMERGENCY TELEPHONE SYSTEMS FUND UNSPENT BALANCE  
PSAP RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2024**

Amounts reported on the Emergency Telephone System Fund Budget and Actual (Schedule C-6) are different from the PSAP Revenue-Expenditure Report because:

Net change in fund balance, reported on budget and actual	\$ (402,983)
Beginning balance, PSAP Revenue - Expenditure Report	<u>587,493</u>
Ending balance, PSAP Revenue - Expenditure Report	<u>\$ 184,510</u>

## LINCOLN COUNTY, NORTH CAROLINA

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

	<b>Authorized Budget</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,500,000	\$ 623,059	\$ 175,078	\$ 798,137
<b>Expenditures:</b>				
Human services				
Payments made for the behalf of beneficiaries	1,500,000	511,669	179,660	691,329
Net change in fund balance	\$ -	\$ 111,390	(4,582)	\$ 106,808
<b>Fund Balance, beginning</b>			111,390	
<b>Fund Balance, ending</b>			<u>\$ 106,808</u>	

## LINCOLN COUNTY, NORTH CAROLINA

**SPECIAL REVENUE - OPIOID SETTLEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Project Authorization</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Restricted intergovernmental revenue				
Federal	\$ 2,400,000	\$ 773,842	\$ 1,638,522	\$ 2,412,364
Investment earnings	-	15,447	75,773	91,220
Total revenues	<u>2,400,000</u>	<u>789,289</u>	<u>1,714,295</u>	<u>2,503,584</u>
<b>Expenditures:</b>				
Public Safety				
Post Overdose Response Team				
Other operating expenditures		-	813	813
Capital outlay		-	64,172	64,172
Total Public Safety	<u>915,000</u>	<u>-</u>	<u>64,985</u>	<u>64,985</u>
Human Services				
Treatment Court				
Other operating expenditures		-	18,056	18,056
Total Human Services	<u>1,485,000</u>	<u>-</u>	<u>18,056</u>	<u>18,056</u>
Total expenditures	<u>2,400,000</u>	<u>-</u>	<u>83,041</u>	<u>83,041</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 789,289</u>	<u>1,631,254</u>	<u>\$ 2,420,543</u>
<b>Fund Balance, beginning</b>			<u>789,289</u>	
<b>Fund Balance, ending</b>			<u>\$ 2,420,543</u>	

## LINCOLN COUNTY, NORTH CAROLINA

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

	<b>Project Authorization</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Restricted intergovernmental				
Federal and State grants	\$ 1,643,447	\$ 43,447	\$ -	\$ 43,447
Investment earnings	503,900	428,797	506,082	934,879
Total revenues	<u>2,147,347</u>	<u>472,244</u>	<u>506,082</u>	<u>978,326</u>
<b>Expenditures:</b>				
Capital outlay				
McBee Street Building Rehabilitation	3,200,000	-	564,534	564,534
Communications System	3,460,723	1,943,024	460,403	2,403,427
Law Enforcement Training Facility	3,900,000	-	-	-
Jail Expansion	3,650,072	690,730	623,270	1,314,000
Trail Planning	800,000	-	-	-
Emergency Services Facility	20,000,000	13,546,538	6,096,465	19,643,003
Animal Services Expansion	1,254,325	931,608	63,968	995,576
Courthouse	39,371,245	37,440,294	219,038	37,659,332
Airport Land Grading	2,109,021	19,782	1,159,503	1,179,285
Airport Business Park	200,000	-	-	-
School Capital	1,200,000	-	-	-
Greenways	43,447	10,397	-	10,397
West Lincoln Passive Park	2,835,400	1,686,009	633,739	2,319,748
Beatty's Ford Park	440,000	18,047	1,621	19,668
Total expenditures	<u>82,464,233</u>	<u>56,286,429</u>	<u>9,822,541</u>	<u>66,108,970</u>
Revenues over (under) expenditures	<u>(80,316,886)</u>	<u>(55,814,185)</u>	<u>(9,316,459)</u>	<u>(65,130,644)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	55,750,000	55,750,000	-	55,750,000
Transfer from General Fund	20,373,468	11,473,468	8,900,000	20,373,468
Transfer from Em. Tel. System Fund	500,000	-	500,000	500,000
Transfer from Capital Reserve Fund	3,759,093	3,759,093	-	3,759,093
Transfer to General Fund	(65,675)	(65,675)	-	(65,675)
Total other financing sources (uses)	<u>80,316,886</u>	<u>70,916,886</u>	<u>9,400,000</u>	<u>80,316,886</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,102,701</u>	<u>83,541</u>	<u>\$ 15,186,242</u>
<b>Fund Balance, beginning</b>			<u>15,102,701</u>	
<b>Fund Balance, ending</b>			<u>\$ 15,186,242</u>	

## LINCOLN COUNTY, NORTH CAROLINA

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Restricted Intergovernmental:			
Lottery proceeds	\$ 500,000	\$ 1,532,400	\$ 1,032,400
Investment earnings	-	72,339	72,339
Total revenues	<u>500,000</u>	<u>1,604,739</u>	<u>1,104,739</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds			
General Fund	500,000	500,000	-
Transfers to other funds			
General Fund	(1,000,000)	(500,000)	500,000
Total other financing sources (uses)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	<u>\$ -</u>	<u>1,604,739</u>	<u>\$ 1,604,739</u>
<b>Fund Balance, beginning</b>		<u>1,451,635</u>	
<b>Fund Balance, ending</b>		<u>\$ 3,056,374</u>	

## BUSINESS-TYPE ACTIVITIES

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### ENTERPRISE FUNDS

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

*Water and Sewer Fund* - This fund is used to account for the activities associated with the production, distribution and transmission of potable water by the County to its users and for the operation and maintenance of the County's sewer system.

*Water and Sewer Capital Fund* - This fund accounts for the financing and construction of all major water and sewer capital projects of the County.

*Solid Waste Fund* - This fund is used to account for operations of the County's solid waste activities.

### INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis.

*Health Insurance Fund* – This fund is used to account for the medical claims of the County's employees and their covered dependents.

*Workers' Compensation Fund* – This fund is used to account for the provision of workers compensation insurance.

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**LINCOLN COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - WATER AND SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water and sewer charges/fees	\$ 18,075,857		
Water and sewer taps	320,515		
Other operating revenues	129,979		
Total operating revenues	<u>\$ 16,358,426</u>	<u>18,526,351</u>	<u>\$ 2,167,925</u>
<b>Non-Operating Revenues:</b>			
Ad valorem taxes	135		
Investment income	1,501,852		
Total non-operating revenues	<u>100,000</u>	<u>1,501,987</u>	<u>1,401,987</u>
Total revenues	<u>16,458,426</u>	<u>20,028,338</u>	<u>3,569,912</u>
<b>Expenditures:</b>			
<b>Water System:</b>			
Salaries and employee benefits	2,005,357		
Other operating costs	3,084,603		
Capital outlay	91,793		
Total water system	<u>5,181,753</u>		
<b>Sewer System:</b>			
Salaries and employee benefits	812,264		
Other operating costs	1,412,841		
Capital outlay	207,788		
Total sewer system	<u>2,432,893</u>		
<b>Indian Creek Water:</b>			
Other operating costs	<u>7,448</u>		
<b>Water Treatment Plant:</b>			
Salaries and employee benefits	935,169		
Other operating costs	717,553		
Capital outlay	33,308		
Total water treatment plant	<u>1,686,030</u>		
<b>Wastewater Treatment Plant - Killian Creek:</b>			
Salaries and employee benefits	841,355		
Other operating costs	1,282,002		
Capital outlay	33,013		
Total wastewater treatment - Killian Creek	<u>2,156,370</u>		
Total environmental protection	<u>11,880,477</u>	<u>11,464,494</u>	<u>415,983</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - WATER AND SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Debt Service:</b>			
Principal	3,065,702		
Interest	1,798,948		
Total debt service	<u>4,932,626</u>	<u>4,864,650</u>	<u>67,976</u>
Total expenditures	<u>16,813,103</u>	<u>16,329,144</u>	<u>483,959</u>
Revenues over (under) expenditures	<u>(354,677)</u>	<u>3,699,194</u>	<u>4,053,871</u>

**Other Financing Sources (Uses):**

Transfers to other funds:			
Water and Sewer Capital Projects Fund	(530,500)	(530,500)	-
Fund balance appropriated	885,177	-	(885,177)
Total other financing sources (uses)	<u>354,677</u>	<u>(530,500)</u>	<u>(885,177)</u>
Revenues and other financing sources over (under) expenditures and other financing uses			
	<u>\$ -</u>	<u>\$ 3,168,694</u>	<u>\$ 3,168,694</u>

**Reconciliation from budgetary basis (modified accrual) to full accrual:**

Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 3,168,694</u>
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**Reconciling items:**

Debt principal	3,065,702
Capital outlay capitalized	359,138
Water and Sewer Capital Fund activity:	
Interest income	407,938
Intrafund transfers	530,500
Capital contributions	1,465,139
Depreciation	(3,664,243)
Amortization of deferred debt premiums	421,176
Amortization of deferred charges of debt issuances	(12,422)
Increase in deferred outflows of resources - pensions	91,712
(Increase) in net pension liability	(385,760)
Decrease in deferred inflows of resources - pensions	7,420
(Decrease) in deferred outflows of resources - OPEB	(163,774)
Decrease in total OPEB liability	10,288
Decrease in deferred inflows of resources - OPEB	295,848
(Increase) in compensated absences	(40,463)
Decrease in accrued interest payable	39,219
Total reconciling items	<u>2,427,418</u>
Change in net position	<u>\$ 5,596,112</u>

## LINCOLN COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER AND SEWER CAPITAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Project Authorization</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Restricted intergovernmental				
Federal and State grants	\$ 21,200,000	\$ -	\$ -	\$ -
Investment earnings	10,000	517,705	407,938	925,643
Total revenues	<u>21,210,000</u>	<u>517,705</u>	<u>407,938</u>	<u>925,643</u>
<b>Expenditures:</b>				
Capital outlay				
NC 16 Waterline Phase II	2,400,000	646,893	-	646,893
St James/Kidville Waterline	1,200,000	29,747	-	29,747
Water Transmission Line	6,100,000	210,924	400,509	611,433
Laboratory Road Extension	1,450,000	-	70,200	70,200
NC150 West Line Replacement	200,000	-	145,324	145,324
E Hwy 150 Water Main Replacement	1,000,000	-	61,143	61,143
Water Plant Expansion	14,687,657	12,478,013	468,014	12,946,027
Reepsville Road Waterline	8,246,965	8,081,904	-	8,081,904
Riverbend Waterline	18,550,000	-	48,450	48,450
Pump Station 29 Rehab	730,000	39,970	23,423	63,393
Pump Station 14 Rehab	365,000	-	-	-
Wastewater Treatment Plant Expansion	36,908,000	32,953,512	1,509,458	34,462,970
Capital outlay	<u>91,837,622</u>	<u>54,440,963</u>	<u>2,726,521</u>	<u>57,167,484</u>
Revenues over (under) expenditures	<u>(70,627,622)</u>	<u>(53,923,258)</u>	<u>(2,318,583)</u>	<u>(56,241,841)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	56,556,471	45,369,096	3,428,787	48,797,883
Premium on long-term debt issued	633,638	3,518,873	-	3,518,873
Discount on long-term debt issued	(100,981)	(100,981)	-	(100,981)
Capital Contributions	674,000	674,000	-	674,000
Transfers from other funds:				
Water and Sewer Fund	12,864,494	12,333,995	530,500	12,864,495
Total other financing sources (uses)	<u>70,627,622</u>	<u>61,794,983</u>	<u>3,959,287</u>	<u>65,754,270</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 7,871,725</u>	<u>\$ 1,640,704</u>	<u>\$ 9,512,429</u>

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Solid waste charges/tipping fees	\$ 1,156,650		
Availability fees	5,174,598		
Other	7,414		
Total operating revenues	<u>\$ 5,880,027</u>	<u>6,338,662</u>	<u>\$ 458,635</u>
<b>Non-Operating Revenues:</b>			
Federal and State grants	672,132		
Tire disposal tax	176,922		
Franchise fees	39,908		
Solid waste disposal tax	84,665		
NC electronics management fund distribution	20,300		
Proceeds from sale of capital assets	38,144		
Investment earnings	596,013		
Total non-operating revenues	<u>240,000</u>	<u>1,628,084</u>	<u>1,388,084</u>
Total revenues	<u>6,120,027</u>	<u>7,966,746</u>	<u>1,846,719</u>
<b>Expenditures:</b>			
<b>Landfill Operations:</b>			
Salaries and employee benefits	2,078,028		
Other operating costs	1,810,898		
Capital outlay	481,685		
Total Landfill Operations	<u>4,370,611</u>		
<b>Convenience Sites:</b>			
Salaries and employee benefits	567,586		
Other operating costs	52,042		
Capital outlay	668,393		
Total Convenience Sites	<u>1,288,021</u>		
Total environmental protection	<u>7,406,633</u>	<u>5,658,632</u>	<u>1,748,001</u>
<b>Debt Service:</b>			
Principal	504,091		
Interest	72,231		
Total Debt Service	<u>576,322</u>	<u>576,322</u>	<u>-</u>
Total expenditures	<u>7,982,955</u>	<u>6,234,954</u>	<u>1,748,001</u>
Revenues over (under) expenditures	<u>(1,862,928)</u>	<u>1,731,792</u>	<u>3,594,720</u>

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds:			
General Fund	650,000	650,000	-
Fund balance appropriated	1,212,928	-	(1,212,928)
Total other financing sources (uses)	<u>1,862,928</u>	<u>650,000</u>	<u>(1,212,928)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,381,792</u>	<u>\$ 2,381,792</u>

**Reconciliation from budgetary basis (modified accrual) to full accrual:**

Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 2,381,792</u>
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**Reconciling items:**

Debt principal	504,091
Capital outlay capitalized	1,146,339
Depreciation	(1,204,803)
Increase in deferred outflows of resources - pensions	45,856
(Increase) in net pension liability	(192,880)
Decrease in deferred inflows of resources - pensions	3,709
(Decrease) in deferred outflows of resources - OPEB	(81,888)
Decrease in total OPEB liability	5,144
Decrease in deferred inflows of resources - OPEB	147,924
(Increase) in compensated absences	(8,017)
Decrease in accrued interest payable	4,010
(Increase) in landfill closure and post-closure costs	(731,850)
Total reconciling items	<u>(362,365)</u>
Change in net position	<u>\$ 2,019,427</u>

## LINCOLN COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2024

	Health Insurance Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 3,986,049	\$ 2,607,461	\$ 6,593,510
Accounts receivable, net	1,522	995	2,517
Prepaid items	11,400	10,000	21,400
Total assets	<u>3,998,971</u>	<u>2,618,456</u>	<u>6,617,427</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and other accrued liabilities	<u>3,128,763</u>	<u>276,892</u>	<u>3,405,655</u>
<b>Net Position:</b>			
Unrestricted	<u>870,208</u>	<u>2,341,564</u>	<u>3,211,772</u>
Total net position	<u>\$ 870,208</u>	<u>\$ 2,341,564</u>	<u>\$ 3,211,772</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Health Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues:</b>			
Contributions from employer	\$ 9,268,738	\$ -	\$ 9,268,738
Contributions from employees	1,024,941	-	1,024,941
Workers' compensation premiums	-	995,408	995,408
Other contributions	5,370	26,933	32,303
Total operating revenues	<u>10,299,049</u>	<u>1,022,341</u>	<u>11,321,390</u>
<b>Operating Expenses:</b>			
Administration and consulting fees	1,632,299	97,533	1,729,832
Health and workers' compensation claims	9,938,923	334,861	10,273,784
Total operating expenses	<u>11,571,222</u>	<u>432,394</u>	<u>12,003,616</u>
Operating income (loss)	(1,272,173)	589,947	(682,226)
<b>Non-Operating Revenues:</b>			
Investment earnings	<u>115,247</u>	<u>92,552</u>	<u>207,799</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds:			
General Fund	<u>1,800,000</u>	-	<u>1,800,000</u>
Change in net position	643,074	682,499	1,325,573
<b>Net position, beginning</b>	<u>227,134</u>	<u>1,659,065</u>	<u>1,886,199</u>
<b>Net position, ending</b>	<u>\$ 870,208</u>	<u>\$ 2,341,564</u>	<u>\$ 3,211,772</u>

## LINCOLN COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Health Insurance Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 10,299,448	\$ 1,022,561	\$ 11,322,009
Cash paid for goods and services	(11,317,088)	(400,043)	(11,717,131)
Net cash provided (used) by operating activities	<u>(1,017,640)</u>	<u>622,518</u>	<u>(395,122)</u>
<b>Cash flows from noncapital activities:</b>			
Transfers in	<u>1,800,000</u>	<u>-</u>	<u>1,800,000</u>
<b>Cash flows from investing activities:</b>			
Interest on investments	<u>115,247</u>	<u>92,552</u>	<u>207,799</u>
Net increase in cash and cash equivalents	<u>897,607</u>	<u>715,070</u>	<u>1,612,677</u>
<b>Cash and cash equivalents - beginning</b>	<u>3,088,442</u>	<u>1,892,391</u>	<u>4,980,833</u>
<b>Cash and cash equivalents - ending</b>	<u>\$ 3,986,049</u>	<u>\$ 2,607,461</u>	<u>\$ 6,593,510</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	<u>\$ (1,272,173)</u>	<u>\$ 589,947</u>	<u>\$ (682,226)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>			
Decrease in receivables	<u>399</u>	<u>220</u>	<u>619</u>
(Increase) in prepaid items	<u>(11,400)</u>	<u>-</u>	<u>(11,400)</u>
Increase in accounts payable	<u>265,534</u>	<u>32,351</u>	<u>297,885</u>
Total adjustments	<u>254,533</u>	<u>32,571</u>	<u>287,104</u>
Net cash provided (used) by operating activities	<u><u>\$ (1,017,640)</u></u>	<u><u>\$ 622,518</u></u>	<u><u>\$ (395,122)</u></u>

## LINCOLN COUNTY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

## HEALTH INSURANCE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES -

## FINANCIAL PLAN AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2024

**Operating Revenues:**

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Contributions from employer	\$ 9,100,000	\$ 9,268,738	\$ 168,738
Contributions from employees	1,200,000	1,024,941	(175,059)
Other contributions	-	5,370	5,370
Total operating revenues	<u>10,300,000</u>	<u>10,299,049</u>	<u>(951)</u>

**Operating Expenditures:**

Administration and consulting fees	1,833,449	1,632,299	201,150
Health claims	10,517,551	9,938,923	578,628
Total operating expenditures	<u>12,351,000</u>	<u>11,571,222</u>	<u>779,778</u>

## Operating income (loss)

Operating income (loss)	(2,051,000)	(1,272,173)	778,827
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**Non-Operating Revenues:**

Investment earnings	45,000	115,247	70,247
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**Other Financing Sources:**

## Transfers from other funds:

General Fund	1,800,000	1,800,000	-
Fund balance appropriated	206,000	-	(206,000)

## Change in net position - budgetary basis

	<u>\$ -</u>	<u>\$ 643,074</u>	<u>\$ 643,074</u>
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**Note:** Prepared on the budgetary basis which is modified accrual.

## LINCOLN COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS**  
**WORKERS' COMPENSATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Operating Revenues:</b>			
Workers' compensation premiums	\$ 929,900	\$ 995,408	\$ 65,508
Other contributions	-	26,933	26,933
Total operating revenues	<u>929,900</u>	<u>1,022,341</u>	<u>92,441</u>
<b>Operating Expenditures:</b>			
Administration and consulting fees	150,000	97,533	52,467
Workers' compensation claims	787,900	334,861	453,039
Total operating expenditures	<u>937,900</u>	<u>432,394</u>	<u>505,506</u>
Operating income (loss)	(8,000)	589,947	597,947
<b>Non-Operating Revenues:</b>			
Investment earnings	<u>8,000</u>	<u>92,552</u>	<u>84,552</u>
Change in net position - budgetary basis	<u>\$ -</u>	<u>\$ 682,499</u>	<u>\$ 682,499</u>

**Note:** Prepared on the budgetary basis which is modified accrual.

## **FIDUCIARY FUNDS**

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### **CUSTODIAL FUNDS**

Custodial Funds are used to account for assets the County holds on behalf of others that meet certain criteria.

*Municipal Tax Fund* - This fund accounts for ad valorem and vehicle property taxes that are billed and collected by the County for the municipality within the County but that are not revenues to the County.

*Sheriff Evidence Fund* - This fund holds evidence monies until disposition after court proceedings are complete.

*Sheriff Execution Fund* - This fund is used to account for funds seized by the Sheriff at the direction of the legal system.

*Jail Inmate Pay Fund* - This fund is used to hold cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

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## LINCOLN COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2024

	Municipal Tax Fund	Sheriff Evidence Fund	Sheriff Execution Fund	Jail Inmate Pay Fund	Total Custodial Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 42,826	\$ 112,880	\$ 7,244	\$ 30,010	\$ 192,960
Taxes receivable for other governments, net	87,019	-	-	-	87,019
Accounts receivable, net	2,877	-	-	-	2,877
Due from other governments	64,462	-	-	-	64,462
<b>Total assets</b>	<b>197,184</b>	<b>112,880</b>	<b>7,244</b>	<b>30,010</b>	<b>347,318</b>
<b>Liabilities:</b>					
Accounts payable and other accrued liabilities	107,288	-	-	69	107,357
<b>Total liabilities</b>	<b>107,288</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>107,357</b>
<b>Net Position:</b>					
Restricted:					
Individuals, organizations, and other governments	89,896	112,880	7,244	29,941	239,961
<b>Total net position</b>	<b>\$ 89,896</b>	<b>\$ 112,880</b>	<b>\$ 7,244</b>	<b>\$ 29,941</b>	<b>\$ 239,961</b>

## LINCOLN COUNTY, NORTH CAROLINA

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

	Municipal Tax Fund	Sheriff Evidence Fund	Sheriff Execution Fund	Jail Inmate Pay Fund	Total Custodial Funds
<b>Additions:</b>					
Ad valorem taxes for other governments	\$ 7,901,005	\$ -	\$ -	\$ -	\$ 7,901,005
Collections of gathered evidence	-	21,226	-	-	21,226
Collections of executed court orders	-	-	141,597	-	141,597
Collections on behalf of inmates	-	-	-	203,796	203,796
<b>Total additions</b>	<b>7,901,005</b>	<b>21,226</b>	<b>141,597</b>	<b>203,796</b>	<b>8,267,624</b>
<b>Deductions:</b>					
Tax distributions to other governments	7,871,122	-	-	-	7,871,122
Distribution of gathered evidence	-	38,445	-	-	38,445
Distribution of executed court orders	-	-	139,371	-	139,371
Payments on behalf of inmates	-	-	-	201,399	201,399
<b>Total deductions</b>	<b>7,871,122</b>	<b>38,445</b>	<b>139,371</b>	<b>201,399</b>	<b>8,250,337</b>
Net change in fiduciary net position	29,883	(17,219)	2,226	2,397	17,287
<b>Net Position, beginning</b>	<b>60,013</b>	<b>130,099</b>	<b>5,018</b>	<b>27,544</b>	<b>222,674</b>
<b>Net Position, ending</b>	<b>\$ 89,896</b>	<b>\$ 112,880</b>	<b>\$ 7,244</b>	<b>\$ 29,941</b>	<b>\$ 239,961</b>

## **OTHER SCHEDULES**

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This section contains additional information required on property taxes and transfers.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

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**LINCOLN COUNTY, NORTH CAROLINA****GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2024**

<b>Fiscal Year</b>	<b>Uncollected Balance</b>		<b>Collections and Credits</b>	<b>Uncollected Balance</b>	
	<b>June 30, 2023</b>	<b>Additions</b>		<b>June 30, 2023</b>	<b>June 30, 2024</b>
2023-2024	\$ -	\$ 95,729,549	\$ 95,128,081	\$ 601,468	
2022-2023	401,472	-	271,259	130,213	
2021-2022	121,587	-	53,789	67,798	
2020-2021	64,482	-	18,256	46,226	
2019-2020	61,066	-	13,376	47,690	
2018-2019	55,129	-	11,080	44,049	
2017-2018	33,134	-	2,890	30,244	
2016-2017	32,795	-	1,798	30,997	
2015-2016	32,177	-	754	31,423	
2014-2015	38,379	-	1,033	37,346	
2013-2014	80,772	-	80,772	-	
<b>Total</b>	<b>920,993</b>	<b>95,729,549</b>	<b>95,583,088</b>		<b>1,067,454</b>

Less: allowance for uncollectible ad valorem taxes receivable:

General Fund (341,490)**Ad Valorem Taxes Receivable, Net**General Fund \$ 725,964**Reconciliation of Collections and Credits with Revenues:**Ad valorem taxes - General Fund \$ 94,471,344

Reconciling items:

Interest collected	(276,748)
Abatements related to prior years	5,548
2% discount allowed	1,304,364
Taxes written off	79,820
Collection of taxes previously written off	(1,240)
<b>Total collections and credits</b>	<b>\$ 95,583,088</b>

## LINCOLN COUNTY, NORTH CAROLINA

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

	Total Levy				
	County-Wide		Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate			
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 19,202,325,651	\$ 0.499	\$ 95,819,605	\$ 88,536,709	\$ 7,282,896
Penalties	-		90,355	90,355	-
<b>Total</b>	<b>19,202,325,651</b>		<b>95,909,960</b>	<b>88,627,064</b>	<b>7,282,896</b>
<b>Discoveries:</b>					
Current year taxes	11,857,515	0.499	59,169	55,506	3,663
Prior year taxes	-		61,523	61,523	-
Penalties	-		6,017	6,017	-
<b>Total</b>	<b>11,857,515</b>		<b>126,709</b>	<b>123,046</b>	<b>3,663</b>
<b>Releases</b>	<b>(61,547,094)</b>		<b>(307,120)</b>	<b>(306,972)</b>	<b>(148)</b>
Total property valuation	<b>\$ 19,152,636,072</b>				
<b>Net Levy</b>			<b>95,729,549</b>	<b>88,443,138</b>	<b>7,286,411</b>
<b>Uncollected taxes at June 30, 2024</b>			<b>601,468</b>	<b>601,468</b>	<b>-</b>
<b>Current Year's Taxes Collected</b>			<b>\$ 95,128,081</b>	<b>\$ 87,841,670</b>	<b>\$ 7,286,411</b>
<b>Current Levy Collection Percentage</b>			<b>99.37%</b>	<b>99.32%</b>	<b>100.00%</b>
<b>Secondary Market Disclosures:</b>					
<b>Assessed Valuation:</b>					
Assessment Ratio <sup>(1)</sup>					100%
Real property					\$ 15,977,117,791
Personal property					1,109,706,893
Public service companies <sup>(2)</sup>					605,608,783
Registered vehicles					1,460,202,605
<b>Total assessed valuation</b>					<b>19,152,636,072</b>
Tax rate per \$100 <sup>(3)</sup>					0.499
<b>Levy (includes discoveries, releases, and abatements)<sup>(4)</sup></b>					<b>\$ 95,729,549</b>
In addition to the County-wide rate, the County levies taxes on behalf of several fire districts					\$ 18,099,645

<sup>(1)</sup> Percentage of appraised value has been established by statute.<sup>(2)</sup> Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.<sup>(3)</sup> The assessed value times the tax rate will not equal the amount of the levy because the levy includes discoveries and releases at prior years' rates.<sup>(4)</sup> The levy includes penalties.

# STATISTICAL SECTION

## (Unaudited)

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This part of the Lincoln County 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** - These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Net Position by Component	Table 1
Changes in Net Position	Table 2
Fund Balances, Governmental Funds	Table 3
Changes in Fund Balances, Governmental Funds	Table 4

**Revenue Capacity** - These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.

Assessed Value and Actual Value of Taxable Property	Table 5
Property Tax Rates-Direct and Overlapping Governments	Table 6
Principal Property Taxpayers	Table 7
Property Tax Levies and Collections	Table 8

**Debt Capacity** - These tables 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.

Ratios of Outstanding Debt by Type	Table 9
Ratios of General Bonded Debt Outstanding	Table 10
Revenue Bond Coverage	Table 11
Legal Debt Margin Information	Table 12
Direct and Overlapping Governmental Activities Debt	Table 13

**Demographic and Economic Information** - These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Demographic and Economic Statistics	Table 14
Principal Water and Sewer Customers	Table 15
Principal Employers	Table 16

**Operating Information** - These tables 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.

Full-Time Equivalent County Government Employees By Function	Table 17
Operating Indicators by Function	Table 18
Capital Asset Statistics by Function	Table 18

**Sources:** Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Reports for the relevant year.

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**Table 1**  
**Lincoln County**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 52,409,026	\$ 55,659,430	\$ 58,995,204	\$ 59,504,444	\$ 63,844,832	\$ 70,103,209	\$ 72,844,362	\$ 80,496,053	\$ 89,677,014	\$ 102,135,640
Restricted	7,513,118	8,895,232	12,339,420	14,351,029	21,067,797	46,379,661	33,785,376	44,152,021	49,903,706	60,534,709
Unrestricted	(82,089,234)	(72,836,306)	(69,053,644)	(88,880,662)	(85,638,930)	(100,315,308)	(69,875,145)	(59,123,510)	(25,044,584)	(38,02,329)
Total governmental activities net position	(22,167,090)	(8,281,644)	2,280,980	(15,025,189)	(726,301)	16,167,562	36,754,593	65,524,564	114,536,136	158,868,020
Business-type activities										
Net investment in capital assets	56,348,162	61,317,027	61,048,458	64,708,737	62,432,585	66,094,327	75,008,044	85,975,909	74,775,941	75,649,104
Restricted	5,263,073	5,986,673	8,783,600	8,881,563	15,125,562	24,432,773	21,617,449	18,631,145	35,439,812	42,182,188
Total business-type activities	61,611,235	67,303,700	69,832,058	73,590,300	77,558,147	90,527,100	96,625,493	104,607,054	110,215,753	117,831,292
Primary government										
Net investment in capital assets	108,757,188	116,976,457	120,043,662	124,213,181	126,277,417	136,197,536	147,852,406	166,471,962	164,452,955	177,784,744
Restricted	7,513,118	8,895,232	12,339,420	14,351,029	21,067,797	46,379,661	33,785,376	44,152,021	49,903,706	60,534,709
Unrestricted	(76,826,161)	(66,849,633)	(60,20,044)	(79,999,099)	(70,513,368)	(75,882,535)	(48,257,696)	(40,492,365)	10,395,228	38,379,859
Total primary government net position	\$ 39,444,145	\$ 59,022,056	\$ 72,113,038	\$ 58,565,111	\$ 76,831,846	\$ 106,694,662	\$ 133,380,086	\$ 170,131,618	\$ 224,751,889	\$ 276,699,312

**Table 2**  
**Lincoln County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	2015	2016	2017	2018	2019	Fiscal Year	2020	2021	2022	2023	2024
<b>Expenses</b>											
Governmental activities:											
General government	\$ 17,453,401	\$ 19,892,679	\$ 19,017,062	\$ 10,667,024	\$ 14,713,967	\$ 14,392,014	\$ 17,272,581	\$ 19,030,850	\$ 19,382,116	\$ 21,884,372	
Public safety	26,537,779	27,812,079	29,972,508	36,616,054	38,593,663	45,254,434	46,549,280	48,904,609	53,210,555	60,753,607	
Transportation	-	321,507	217,002	1,345,334	1,780,923	1,205,030	1,570,268	1,745,663	1,926,212	1,894,433	
Economic and physical development	2,353,021	1,569,081	1,850,463	3,122,049	2,383,169	2,441,281	3,226,573	3,590,114	4,309,136	5,028,933	
Culture and recreation	2,610,692	1,498,480	2,133,169	2,812,043	3,088,356	3,184,449	4,172,234	3,933,893	4,230,728	4,977,892	
Education	21,484,615	18,193,559	20,222,666	21,728,113	22,534,222	25,393,694	25,258,045	27,265,673	29,253,570	33,341,874	
Human services	17,324,069	17,080,572	17,149,240	16,391,679	17,474,267	19,054,638	20,674,988	21,166,193	22,733,273	22,448,229	
Interest on long term debt	3,189,629	3,035,798	2,940,263	2,964,799	2,362,070	2,199,075	2,770,422	2,532,813	2,258,730	1,996,673	
Total governmental activities	90,953,206	89,403,755	93,502,373	95,647,095	102,930,637	113,124,615	121,494,391	128,169,808	137,304,320	152,326,013	
Business-type activities:											
Water and sewer	7,987,776	8,563,573	9,630,573	10,173,450	11,140,992	12,922,159	14,399,456	13,988,552	17,202,533	16,305,303	
Solid waste	4,925,026	4,406,194	6,038,674	6,056,364	4,869,933	872,723	5,601,951	5,266,656	6,040,574	6,559,175	
East Lincoln water and sewer	109,284	85,894	7,176	-	-	-	-	-	-	-	
Total business activities	13,022,086	13,055,661	15,676,423	16,229,814	16,010,925	13,794,882	20,001,407	19,255,208	23,244,107	22,864,478	
Total primary government expenses	103,975,292	102,459,416	109,178,796	111,876,909	118,941,562	126,919,497	141,495,798	147,425,016	160,548,427	175,190,491	
<b>Program Revenues</b>											
Governmental activities											
Charges for services:											
General government	1,899,052	1,970,356	2,007,317	1,775,703	1,625,436	1,919,901	2,194,936	2,217,090	2,527,923	2,314,755	
Public safety	4,644,806	5,635,205	5,824,386	6,217,560	6,535,751	6,863,023	7,484,899	7,959,321	7,141,042	7,266,441	
Transportation	-	-	-	774,363	632,597	567,891	414,284	421,705	690,085	981,923	
Economic and physical development	-	-	-	660,641	560,855	92,451	361,560	313,690	289,905	267,978	
Culture and recreation	91,436	81,187	90,851	142,589	157,579	104,324	187,461	116,429	136,148	195,404	
Human services	2,075,201	1,405,400	1,381,443	639,791	622,996	322,107	950,451	1,122,033	983,026	1,492,199	
Operating grants and contributions:											
General government	726,230	3,059,063	1,031,959	629,541	170,835	103,302	230,457	2,411,683	2,871,356	579,048	
Public safety	688,347	923,587	940,929	1,743,045	2,574,238	3,982,649	2,080,374	2,202,060	11,879,887	1,843,059	
Transportation	-	-	-	297,422	377,961	475,122	889,366	681,440	388,339	616,098	
Economic and physical development	30,360	30,229	30,330	90,036	176,097	29,915	187,589	231,370	628,739	318,503	
Culture and recreation	-	118,195	122,615	297,809	160,426	193,082	269,411	236,260	209,129	299,327	
Education	132,620	-	-	-	-	-	-	-	-	-	
Human services	11,495,059	11,739,707	11,146,419	8,976,093	9,442,898	9,948,447	11,294,965	12,966,144	21,242,965	10,984,328	
Capital grants and contributions:											
General government	1,314,334	626,090	27,957	261,168	-	-	-	-	-	2,108,120	
Public safety	-	-	75,000	-	-	-	-	-	-	62,590	

**Table 2**  
**Lincoln County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	2015	2016	2017	2018	2019	Fiscal Year	2020	2021	2022	2023	2024
Transportation	-	-	-	48,985	302,990	401,562	200,586	8,910	-	807,955	
Culture and recreation	-	-	-	-	396,157	443,000	-	-	-	2,741,837	
Education	829,500	783,400	870,520	576,000	803,450	233,700	1,637,400	779,160	468,530	1,532,400	
Human services	-	-	-	-	175,000	-	-	-	-	261,815	
Total governmental activities	23,926,945	26,372,419	23,474,726	23,205,746	24,715,266	25,680,476	28,383,739	31,667,295	50,047,858	34,673,780	
Business-type activities:											
Charges for service - water and sewer	9,343,337	10,694,992	13,471,115	13,458,546	14,305,782	16,270,161	19,040,769	18,795,290	18,319,117	18,526,351	
Capital grants and cont. - water/sewer	-	2,962,527	10,000	3,689,013	-	5,023,169	1,903,130	2,649,817	2,430,569	1,465,139	
Charges for service - solid waste	3,757,118	4,143,385	4,633,323	4,795,443	5,071,972	4,977,705	5,071,372	5,835,778	6,116,896	6,660,457	
Operating grants - solid waste	-	-	-	-	-	-	20,000	2,000	-	672,132	
Operating grants - solid waste	-	-	-	-	-	-	-	-	833,550	-	
Total business-type activities	13,100,455	17,800,904	18,114,438	21,943,002	19,377,754	26,271,035	26,035,271	27,282,885	27,700,132	27,324,079	
Total primary government program revenues	37,027,400	44,173,323	41,589,164	45,148,748	44,093,020	51,951,511	54,419,010	58,950,180	77,747,990	61,997,859	
<b>Net (Expense)/Revenue</b>											
Governmental activities	(67,026,261)	(63,031,336)	(70,027,647)	(72,441,349)	(78,215,371)	(87,444,139)	(93,110,652)	(96,502,513)	(87,256,462)	(117,652,233)	
Business-type activities	78,369	4,745,243	2,438,015	5,713,188	3,366,829	12,476,153	6,033,864	8,027,677	4,456,025	4,459,601	
Total primary government net (expense)/revenue	(66,947,892)	(58,286,093)	(67,589,632)	(66,728,161)	(74,848,542)	(74,967,986)	(87,076,788)	(88,474,836)	(82,800,437)	(113,192,632)	
<b>General Revenues and Other Changes in Net Position</b>											
Governmental activities:											
Ad valorem taxes	57,598,885	59,381,739	60,610,716	63,264,202	66,274,755	75,590,046	79,291,113	86,106,451	90,844,156	112,554,691	
Local option sales tax	14,423,993	15,459,998	18,480,201	19,376,365	22,956,135	25,652,067	30,892,666	35,860,183	38,869,378	39,821,282	
Utility franchise tax	229,091	220,188	223,349	218,729	211,971	200,508	198,194	197,350	192,495	179,939	
Real estate transfer tax	858,192	974,733	1,380,914	1,404,356	1,404,036	1,517,698	2,274,241	2,552,594	2,281,678	2,082,289	
Other taxes and licenses	476,454	401,490	436,698	173,497	196,250	180,960	241,012	340,916	401,087	454,227	
Unrestricted intergovernmental	330,007	306,511	320,620	309,222	314,288	319,066	317,225	301,712	355,105	392,434	
Investment earnings	90,279	172,123	152,094	538,815	1,156,824	877,657	208,663	(86,722)	3,324,135	7,149,255	
Transfers	-	-	-	-	-	-	-	-	(650,000)	-	
Total governmental activities:	73,996,901	76,916,782	81,604,592	85,285,186	92,514,259	104,338,002	113,423,114	125,272,484	136,268,034	161,984,117	

**Table 2**  
**Lincoln County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	2015	2016	2017	2018	2019	Fiscal Year	2020	2021	2022	2023	2024
Business-type activities:											
Property taxes	912,435	875,860	23,339	4,282	21	1,099	416	338	415	135	
Investment earnings	48,656	71,362	67,004	258,768	600,997	491,701	64,113	(46,454)	1,152,259	2,505,803	
Transfers	-	-	-	-	-	-	-	-	-	650,000	
Total business-type activities	961,091	947,222	90,343	263,050	601,018	492,800	64,529	(46,116)	1,152,674	3,155,938	
Total primary government	74,957,992	77,864,004	81,694,935	85,548,236	93,115,277	104,830,802	113,487,643	125,226,368	137,420,708	165,140,055	
<b>Change in Net Position</b>											
Governmental activities	6,970,640	13,885,446	11,576,945	12,843,837	14,298,888	16,893,863	20,312,462	28,769,971	49,011,572	44,331,884	
Business-type activities	1,039,460	5,692,465	2,528,358	5,976,238	3,967,847	12,968,953	6,098,393	7,981,561	5,608,699	7,615,539	
Total primary government	\$ 8,010,100	\$ 19,577,911	\$ 14,105,303	\$ 18,820,075	\$ 18,266,735	\$ 29,862,816	\$ 26,410,855	\$ 36,751,532	\$ 54,620,271	\$ 51,947,423	

**Table 3**  
**Lincoln County**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year						2023	2024
	2015	2016	2017	2018	2019	2020		
General Fund								
Nonspendable								
Prepays	\$ 631,607	\$ 256,545	\$ 229,546	\$ 226,528	\$ 227,019	\$ 256,963	\$ 257,147	\$ 304,217
Leases	-	-	-	-	-	-	88	150
Restricted								
Stabilization for State statute	5,149,448	6,909,752	5,093,410	6,432,887	8,001,582	8,010,434	9,379,523	12,853,600
Restricted, all other	1,073,458	1,180,740	1,329,743	1,503,833	2,261,857	2,863,067	4,401,715	2,964,764
Committed								
-	1,000,000	-	-	-	840,504	2,139,910	2,418,255	1,568,572
Assigned								
-	5,500,388	3,405,237	3,346,021	-	-	2,525,562	14,742,010	13,144,325
Unassigned								
20,307,623	18,408,808	24,512,423	26,970,285	26,110,745	29,792,769	23,221,262	25,889,504	33,111,094
Total General Fund	<u>\$ 27,162,136</u>	<u>\$ 33,256,233</u>	<u>\$ 34,570,359</u>	<u>\$ 38,479,554</u>	<u>\$ 37,441,707</u>	<u>\$ 45,588,705</u>	<u>\$ 54,579,832</u>	<u>\$ 56,678,000</u>
All Other Governmental Funds								
Restricted								
Stabilization for State statute	\$ 298,605	\$ 127,173	\$ 5,601,764	\$ 5,999,264	\$ 10,441,450	\$ 34,433,666	\$ 18,865,795	\$ 21,599,791
Restricted, all other	-	1,145,108	1,006,715	2,010,007	5,076,251	36,656,666	19,281,757	26,217,007
Committed								
-	303,043	421,667	556,532	877,406	1,688,809	7,325,026	15,766,599	22,535,116
Unassigned								
(446,330)	(1,303,300)	(4,897,896)	(3,368,449)	(4,141,637)	(31,152,904)	(14,244,764)	(21,440,035)	(15,842,890)
Total all other governmental funds	<u>\$ (147,725)</u>	<u>\$ 272,024</u>	<u>\$ 2,132,250</u>	<u>\$ 5,197,354</u>	<u>\$ 12,253,470</u>	<u>\$ 41,626,237</u>	<u>\$ 31,227,814</u>	<u>\$ 42,143,362</u>

**Table 4**  
**Lincoln County**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	Fiscal Year	2020	2021	2022	2023	2024
<b>Revenues</b>											
Ad valorem taxes	\$ 57,541,002	\$ 59,103,531	\$ 60,643,519	\$ 63,734,107	\$ 66,311,359	\$ 75,720,213	\$ 79,543,059	\$ 86,225,033	\$ 90,849,515	\$ 112,329,320	
Local option sales taxes	14,423,993	15,459,998	18,480,201	19,376,365	22,956,135	25,652,067	30,892,666	35,860,183	38,869,378	39,821,282	
Other taxes and licenses	1,563,737	1,596,411	2,040,961	1,796,382	1,812,257	1,899,166	2,713,447	3,090,860	2,875,260	2,716,455	
Unrestricted intergovernmental revenues	330,007	306,511	320,620	309,222	314,288	319,066	317,225	301,712	355,105	392,434	
Restricted intergovernmental revenues	13,745,936	14,052,982	13,216,065	12,475,014	14,501,818	15,488,170	16,617,536	19,216,927	30,049,759	23,248,827	
Permits and fees	1,934,378	2,368,484	2,785,238	3,338,692	2,959,650	3,201,589	4,636,675	3,847,066	3,188,481	3,062,764	
Sales and service	6,143,014	5,938,525	5,743,361	5,494,319	5,509,814	5,647,384	5,517,697	6,604,059	7,486,520	8,121,885	
Miscellaneous	1,470,514	154,122	137,836	1,825,278	1,574,323	3,068,329	1,546,991	1,663,469	1,566,064	1,660,476	
Investment earnings	79,964	3,164,036	921,331	487,203	1,080,684	835,421	203,094	(83,023)	3,238,602	6,941,456	
Total Revenues	<u>97,232,545</u>	<u>102,144,600</u>	<u>104,289,132</u>	<u>108,836,782</u>	<u>117,020,328</u>	<u>131,831,405</u>	<u>141,988,390</u>	<u>156,726,286</u>	<u>178,478,684</u>	<u>198,294,899</u>	
<b>Expenditures</b>											
General Government	8,562,450	10,319,572	10,929,722	12,030,635	12,508,119	13,202,830	14,669,777	18,584,464	20,301,505	21,914,152	
Public Safety	28,039,030	30,568,246	32,404,426	35,397,091	39,164,485	44,522,929	43,256,640	48,789,848	51,217,216	60,407,238	
Transportation	-	321,507	171,298	1,265,141	1,654,791	1,709,841	1,529,742	1,564,194	1,732,973	3,598,529	
Economic and physical development	1,822,269	1,513,856	1,807,485	2,931,398	2,217,275	2,277,944	2,974,126	3,398,919	4,073,494	3,643,751	
Culture and Recreation	2,464,064	2,622,894	2,183,661	2,325,470	2,643,186	2,781,311	3,220,194	3,640,905	3,565,257	6,880,564	
Education	18,517,937	18,908,697	20,667,575	21,474,121	22,534,222	25,393,694	25,258,045	27,265,673	29,255,570	33,341,874	
Human services	19,223,105	19,162,102	18,644,959	15,768,280	17,072,517	18,025,809	19,068,720	21,233,372	21,661,688	22,000,636	
Capital Outlay	8,477,934	2,540,899	4,487,994	9,870,439	10,084,082	10,111,184	18,557,361	22,463,314	15,331,428	9,822,541	
Debt Service:											
Principal	9,054,196	9,053,807	8,846,700	9,200,850	10,212,202	10,134,292	11,987,742	14,043,213	12,927,561	12,054,292	
Interest	3,651,770	3,213,983	3,059,430	2,850,383	2,646,145	2,651,806	3,147,908	3,037,533	2,763,886	2,413,357	
Total Expenditures	<u>99,812,755</u>	<u>98,225,563</u>	<u>103,203,250</u>	<u>113,113,808</u>	<u>120,737,024</u>	<u>130,811,640</u>	<u>143,670,255</u>	<u>164,021,435</u>	<u>162,828,578</u>	<u>176,076,934</u>	
Excess of revenues over (under) expenditures	<u>(2,580,210)</u>	<u>3,919,037</u>	<u>1,085,882</u>	<u>(4,277,026)</u>	<u>(3,716,696)</u>	<u>1,019,765</u>	<u>(1,681,865)</u>	<u>(7,295,149)</u>	<u>15,650,106</u>	<u>22,217,965</u>	
<b>Other Financing Sources (Uses)</b>											
Transfers in	3,398,124	1,608,769	7,527,537	2,253,014	7,595,160	4,598,738	8,493,421	15,030,206	27,879,391	14,083,230	
Transfers out	(3,398,124)	(1,608,769)	(7,527,537)	(2,253,014)	(7,595,160)	(4,598,738)	(8,493,421)	(15,030,206)	(28,679,391)	(16,533,230)	
Bonds & installment financing issued	-	5,244,000	2,088,470	24,329,000	19,741,000	36,500,000	-	19,640,000	-	-	
Bond premium (discount)	-	-	-	(60,823)	1,793,965	-	-	-	-	-	
Advance refunding payments to trustee	-	(5,141,066)	-	(13,016,852)	(11,800,000)	-	-	-	-	-	
Lease liabilities issued	-	-	-	-	-	-	-	668,865	-	-	
Total other financing sources (uses)	<u>-</u>	<u>102,934</u>	<u>2,088,470</u>	<u>11,251,325</u>	<u>9,734,965</u>	<u>36,500,000</u>	<u>-</u>	<u>20,308,865</u>	<u>(800,000)</u>	<u>(2,450,000)</u>	
Net change in fund balances	<u>\$ (2,580,210)</u>	<u>\$ 4,021,971</u>	<u>\$ 3,174,352</u>	<u>\$ 6,974,299</u>	<u>\$ 6,018,269</u>	<u>\$ 37,519,765</u>	<u>\$ (1,681,865)</u>	<u>\$ 13,013,716</u>	<u>\$ 14,850,106</u>	<u>\$ 19,767,965</u>	
Debt service as a percentage of noncapital expenditures	13.54%	13.21%	13.71%	12.06%	12.01%	10.96%	12.39%	12.49%	11.03%	9.39%	

**Table 5**  
**Lincoln County**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property			Personal Property			Public Service Companies (2)	Total Taxable Assessed Value	Total Direct Tax	Estimated Actual Taxable Value (4)	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Less (1)	Tax Exempt Real Property	Registered Vehicles					
2015	\$ 6,308,804,410	\$ 796,831,718	\$ 350,862,508	\$ 420,023,945	\$ 593,681,026	\$ 562,239,937	\$ 365,935,449	\$ 8,558,331,103	\$ 0.598	\$ 8,305,272,937	103.05%
2016 (5)	6,091,573,583	804,391,566	420,815,464	383,285,265	636,617,770	595,668,262	392,333,841	8,558,115,221	0.611	9,009,297,457	94.99%
2017	6,094,640,416	803,928,981	426,281,505	285,338,374	733,314,772	625,939,050	395,337,578	8,794,103,928	0.611	9,525,553,594	92.32%
2018	6,416,470,519	815,467,314	429,636,363	383,432,370	750,340,021	682,353,340	419,846,478	9,130,681,665	0.611	9,726,570,190	93.87%
2019	6,541,195,880	839,654,001	443,498,062	379,488,208	911,466,016	708,118,232	444,229,123	9,508,673,106	0.611	10,797,054,938	88.07%
2020 (5)	7,804,176,942	892,061,208	548,345,730	435,861,442	950,781,803	753,056,823	462,707,550	10,975,268,614	0.599	11,922,839,387	92.05%
2021	8,068,057,617	904,461,494	554,611,824	435,490,651	1,101,091,653	817,778,695	498,105,561	11,508,616,193	0.599	12,437,257,193	92.53%
2022	8,577,569,466	906,513,830	562,391,412	432,612,717	1,183,405,816	887,370,132	530,721,512	12,015,359,451	0.619	14,002,882,494	85.81%
2023	8,723,199,817	964,008,430	572,231,511	430,145,865	1,297,024,071	950,222,723	572,648,005	12,649,188,692	0.619	16,861,743,217	75.02%
2024 (5)	14,287,686,221	1,462,202,323	834,136,948	606,907,701	1,460,202,605	1,109,706,893	605,608,783	19,152,656,072	0.499	19,591,328,448	97.76%

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

(1) Included as tax exempt includes property excluded as "Senior Citizens and Disabled Persons Exclusion" G.S. 105-277.1, Property listed at "present-use value" G.S. 105-277.4, and property listed as historic property G.S. 105-278. Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

(2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

(3) Per \$100 of value.

(4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

(5) Years revaluation of property increased tax values, Lincoln County is reassessed every 4 years.

**Table 6**  
**Lincoln County**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

		2015	2016(1)	2017	2018	2019	2020(1)	2021	2022	2023	2024
Lincoln County	\$ 0.5980	\$ 0.6110	\$ 0.6110	\$ 0.6110	\$ 0.6110	\$ 0.5990	\$ 0.5990	\$ 0.6190	\$ 0.6190	\$ 0.4990	
<b>Municipality Rates:</b>											
Lincolnton (2)	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	
<b>Special District</b>											
East Lincoln Water and Sewer District (3)	0.0342	0.0325	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
<b>Fire Districts (4)</b>											
Alexis	0.1100	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1065	
Boger City	0.0925	0.0999	0.0999	0.0999	0.0999	0.1050	0.1050	0.1250	0.1250	0.1250	
Crouse	0.0609	0.0640	0.0640	0.0640	0.0640	0.0860	0.0860	0.0860	0.0860	0.0860	
Denver	0.1099	0.1125	0.1125	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1040	
East Lincoln	0.0850	0.0850	0.0860	0.0890	0.0890	0.0980	0.0980	0.1250	0.1250	0.1024	
Howards Creek	0.1150	0.1203	0.12233	0.12233	0.12233	0.1355	0.1355	0.1355	0.1355	0.1355	
North 321	0.0400	0.0400	0.0400	0.0400	0.0400	0.0700	0.0700	0.0700	0.0700	0.0900	
North Brook	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0950	
Pumpkin Center	0.0900	0.0970	0.9700	0.0970	0.0970	0.0970	0.0970	0.1200	0.1200	0.1050	
South Fork	0.1236	0.1250	0.1250	0.1250	0.1250	0.1250	0.1250	0.1250	0.1250	0.1250	
Union	0.0900	0.0900	0.0900	0.0900	0.0900	0.1250	0.1250	0.1250	0.1250	0.1250	

Notes:

- (1) Real property was revalued on January 1, 2015 and 2019; these revaluations are reflected in the following fiscal year.
- (2) Lincoln County is an overlapping district of the City of Lincolnton.
- (3) Lincoln County is an overlapping district of the East Lincoln Water and Sewer District.
- (4) Fire districts are overlapping districts of the County, the East Lincoln Water and Sewer District but not of the City of Lincolnton.

Table 7  
 Lincoln County  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2023			Fiscal Year 2015		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Corp.	Utility	\$ 436,631,688	1	2.28%	\$ 249,359,460	1	2.91%
Robert Bosch Tool Corp	Manufacturing	112,085,932	2	0.59%			
The Timken Company	Bearing manufacturer	89,870,020	3	0.47%	81,369,812	2	0.95%
Blum Inc	Furniture Hardware manf.	86,631,075	4	0.45%	68,504,259	3	0.80%
Cataler North America Corp	Auto parts manufacturer	77,336,612	5	0.40%	62,556,206	4	0.73%
Charlotte IND LLC	Manufacturing	75,978,944	6	0.40%			
Lincolnton Partners LLC	Real Estate	74,522,977	7	0.39%			
Denver-SI LLC	Real Estate	59,472,775	8	0.31%			
Hawthorne At Westport	Real Estate	56,868,682	9	0.30%			
APTARGROP	Manufacturing	54,107,790	10	0.28%			
Rutherford Electric Membership	Retail						
TKC LIV LLC	Utility						
Wal Mart Real Estate Budiness	Real Estate / Manufacturing						
Actavis Mid Atlantic LLC	Pharmaceuticals						
Bellsouth TEL CORP	Utility						
TKC CXXVIII LLC	Real Estate / Manufacturing						
<b>Totals</b>		<b>\$ 1,123,506,495</b>		<b>5.87%</b>	<b>\$ 620,427,477</b>		<b>7.25%</b>

Source: Lincoln County Tax Department

Table 8  
Lincoln County  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Total Collections to Date			
	Total	Adjusted	Levy	Amount	Original	Levy	Amount	Adjusted	Levy	Percentage of Uncollected
2015	\$ 50,455,214	\$ 105,063	\$ 50,560,277	\$ 49,283,713	97.68%	\$ 1,239,218	\$ 50,522,931	99.93%	\$ 37,346	
2016	52,246,531	106,268	52,352,799	51,605,464	98.77%	715,912	52,321,376	99.94%	31,423	
2017	53,404,086	384,500	53,788,586	53,010,615	99.26%	746,974	53,757,589	99.94%	30,997	
2018	55,859,280	209,575	56,068,885	55,385,593	99.15%	653,018	56,038,611	99.95%	30,244	
2019	58,234,059	16,838	58,250,897	57,519,842	98.77%	687,006	58,206,848	99.92%	44,049	
2020	65,905,710	207,857	66,113,567	65,519,926	99.41%	545,951	66,065,877	99.93%	47,690	
2021	69,058,494	41,578	69,100,072	68,666,401	99.43%	387,445	69,053,846	99.93%	46,226	
2022	74,456,973	191,199	74,648,172	74,234,155	99.70%	346,219	74,580,374	99.91%	67,798	
2023	78,401,836	70,389	78,472,225	78,070,753	99.58%	271,259	78,342,012	99.83%	130,213	
2024	95,909,960	(180,411)	95,729,549	95,128,081	99.18%	-	95,128,081	99.37%	601,468	
										\$ 1,148,226

Source: Lincoln County Tax Department

Table 9  
Lincoln County  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds		Direct Placement Installments		General Obligation Bonds		State Clean Water Loan				
	General	Obligation	Direct	Placement	Lease	Liabilities	Revenue	Bonds	Direct	Borrowing	Placement
2015	77,214,442		22,664,779		-	1,085,000	-	500,000	-	18,356,716	119,820,937
2016	70,043,087		20,874,972		-	575,000	-	250,000	-	16,897,825	108,640,884
2017	62,871,733		21,041,742		-	-	-	-	-	22,211,020	106,124,495
2018	56,584,151		29,979,785		-	-	-	-	-	19,599,692	106,163,628
2019	49,595,509		36,249,324		-	-	14,427,657	-	-	7,917,405	119,525,127
2020	42,405,656		69,338,773		-	-	22,066,350	-	-	7,592,602	151,675,205
2021	35,291,803		63,998,772		-	-	47,942,359	-	-	458,416	6,962,511
2022	28,179,950		76,304,771		605,394	-	46,163,038	-	-	4,735,729	154,653,861
2023	21,165,099		69,992,770		538,575	-	44,648,717	-	-	15,858,402	6,321,420
2024	14,430,996		64,361,769		471,025	-	42,532,541	-	-	18,076,487	162,310,302
											144,878,056
											1,528

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

(1) See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.  
Calendar 2018 personal income not available to calculate fiscal year 2019.

\* Information not yet available.

**Table 10**  
**Lincoln County**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
2015	78,299,442	2.49%	0.91%	976
2016	70,618,087	2.14%	0.83%	868
2017	62,871,733	1.76%	0.71%	766
2018	56,594,151	1.48%	0.62%	660
2019	49,595,509	1.22%	0.52%	576
2020	42,405,656	0.96%	0.39%	481
2021	35,291,803	0.71%	0.31%	398
2022	28,179,950	0.52%	0.23%	314
2023	21,165,099	*	0.17%	230
2024	14,430,996	*	0.08%	152

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See Table 5 for property value data.

\* Information not yet available.

**Table 11**  
**Lincoln County**  
**Revenue Bond Coverage**  
**Last Six Fiscal Years**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Fiscal Year</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Water and Sewer Fund</b>							
<b>Debt service coverage Parity Debt</b>							
Operating Revenues	\$ 14,305,782	\$ 16,270,161	\$ 19,040,769	\$ 18,795,290	\$ 18,319,117	\$ 18,526,351	
Operating Expenses*	6,596,680	8,092,306	8,669,663	8,663,457	12,011,800	11,302,506	
Operating income	7,709,102	8,177,855	10,371,106	10,131,833	6,307,317	7,223,845	
Nonoperating revenues (expenses)	(703,820)	(895,409)	(1,909,729)	(1,476,818)	(691,290)	571,372	
Income available for debt service	7,005,282	7,282,446	8,461,377	8,655,015	5,616,027	7,795,217	
15% of unrestricted net position of system	2,954,336	3,723,606	3,536,652	3,037,847	5,461,569	6,236,855	
Available for debt service	\$ 9,959,618	\$ 11,006,052	\$ 11,988,029	\$ 11,692,862	\$ 11,077,596	\$ 14,032,072	
Debt service, principal and interest paid (Revenue Bond only)	\$ 188,669	\$ 850,000	\$ 843,000	\$ 3,174,200	\$ 2,545,066	\$ 2,760,336	
Debt service coverage ratio	5278.88%	1294.83%	1423.25%	368.37%	435.26%	508.35%	
<b>Debt service coverage All Debt</b>							
Operating Revenues	\$ 14,305,782	\$ 16,270,161	\$ 19,040,769	\$ 18,795,290	\$ 18,319,117	\$ 18,526,351	
Operating Expenses*	6,596,680	8,092,306	8,669,663	8,663,457	12,011,800	11,302,506	
Operating income	7,709,102	8,177,855	10,371,106	10,131,833	6,307,317	7,223,845	
Nonoperating revenues (expenses)	(703,820)	(895,409)	(1,909,729)	(1,476,818)	(691,290)	571,372	
Income available for debt service	7,005,282	7,282,446	8,461,377	8,655,015	5,616,027	7,795,217	
Debt service, principal and interest paid (all debt)	\$ 2,938,878	\$ 2,300,801	\$ 2,495,812	\$ 3,588,458	\$ 4,168,600	\$ 4,404,257	
Debt service coverage ratio	238.37%	316.52%	339.02%	241.19%	134.72%	176.99%	

\*Per rate covenants, this does not include depreciation expense

Note: Implementation of Revenue Bond statistics began in fiscal year 2019.

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

**Table 12**  
**Lincoln County**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 8,558,331	\$ 8,558,115	\$ 8,794,104	\$ 9,130,682	\$ 9,508,673	\$ 10,975,269
Debt Limit, 8% of Assessed Value (Statutory Limitation)	684,666	684,649	703,528	730,455	760,694	878,022
Amount of Debt Applicable to Limit						
Gross debt	117,691	108,641	106,124	104,830	116,106	148,744
Debt outstanding for water and sewer	19,942	17,723	18,386	16,685	28,349	34,905
Total net debt applicable to limit	97,749	90,918	87,738	88,145	87,757	113,839
Legal Debt Margin	\$ 586,917	\$ 593,731	\$ 615,790	\$ 642,310	\$ 672,937	\$ 764,183
Total net debt applicable to the limit as a percentage of debt limit	14.28%	13.28%	12.47%	12.07%	11.54%	12.97%

Total net debt applicable to the limit as  
a percentage of debt limit  
14.28% 13.28% 12.47% 12.07% 11.54% 12.97% 11.01% 11.08% 9.21% 5.13%

Note: North Carolina Statute 159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Table 13  
 Lincoln County  
 Direct and Overlapping Governmental Activities Debt  
 As of June, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Cities:</b>			
City of Lincolnton (1)	\$ 1,093,434	100.00%	\$ 1,093,434
Direct - Lincoln County			79.263,790
Total direct and overlapping debt			<u><u>\$ 80,357,224</u></u>

(1) Source: City of Lincolnton Finance Department

Table 14  
Lincoln County  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (3)	Public School Enrollment(4)	Unemployment Rate(5)	Number of Building Inspections Performed(6)
2015	80,202	3,142,032	38,774	11,589	5.90%	19,868
2016	81,397	3,294,665	40,591	11,646	4.70%	24,373
2017	82,033	3,580,669	43,453	11,503	3.70%	29,446
2018	85,758	3,835,937	45,791	11,321	3.20%	38,431
2019	86,039	4,062,577	47,178	11,483	3.40%	37,424
2020	88,151	4,423,898	50,216	11,458	6.80%	36,199
2021	88,699	4,964,823	55,368	11,170	3.80%	44,844
2022	89,670	5,420,659	58,227	11,204	3.10%	46,708
2023	92,170	*	*	11,673	3.20%	41,571
2024	94,819	*	*	11,703	3.50%	35,818

\* Information not yet available.

Notes:

- (1) N.C. Office of State Budget and Management. Estimates are as of beginning of fiscal year.
- (2) Federal Reserve Bank of St. Louis
- (3) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
- (4) Lincoln County School Administrative Unit.
- (5) N. C. Department of Commerce.
- (6) Lincoln County Building and Land Development Department. Inspections are for entire County.  
The figures are for prior calendar year.

**Table 15**  
**Lincoln County**  
**Principal Water and Sewer Customers**  
**Current Year**

Water Customer	Water Charges	Rank	Fiscal Year 2024 Percentage of Water Charges
Timken Company	\$ 176,172	1	1.88%
Lake Norman Owner LP	78,464	2	0.84%
Riverwalk Apartments	62,411	3	0.66%
Cataler North America	58,376	4	0.62%
Mariners Point @ Smithstone HOA	46,835	5	0.50%
Julius Blum, Inc.	45,306	6	0.48%
Lincoln County Schools	44,072	7	0.47%
Denver SI, LLC - Avril Cambridge Apartments	44,049	8	0.47%
A Sani Can	41,244	9	0.44%
RW Garcia Company, Inc.	40,476	10	0.43%
Total	<u><u>\$ 637,405</u></u>		6.79%

Sewer Customer	Sewer Charges	Rank	Fiscal Year 2024 Percentage of Sewer Charges
Cataler North America	\$ 78,068	1	1.31%
Riverwalk Apartments	74,038	2	1.24%
Denver SI, LLC - Avril Cambridge Apartments	47,814	3	0.80%
Mariners Point @ Smithstone HOA	47,422	4	0.79%
Hawthorne at Westport Apartments	47,301	5	0.79%
Lake Norman Owner LP	44,839	6	0.75%
D R Horton, Inc.	38,946	7	0.65%
R W Garcia Company, Inc.	38,867	8	0.65%
Lincoln County Schools	38,143	9	0.64%
Triangle Trace HOA	38,074	10	0.64%
Total	<u><u>\$ 493,512</u></u>		8.26%

Sources: Lincoln County Water and Sewer Billing Software

Note: Implementation of Revenue Bond statistics began in fiscal year 2019.

This schedule is intended to show comparative information for the current year and nine years prior.

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

**Table 16**  
**Lincoln County**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Product or Service	Fiscal Year 2024				Fiscal Year 2015			
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank
Lincoln County Schools	Education	1,360	1	2.85%	1,582	1	4.07%		
County of Lincoln	Public Administration	1,039	2	2.18%	751	2	1.93%		
Atrium Health	Medical Care	954	3	2.00%					
Wal-Mart Stores, Inc.	Discount Stores	650	4	1.36%	730	3	1.88%		
Timken Company	Tapered Roller Bearings	606	5	1.27%	531	6	1.36%		
Robert Bosch Tool Corporation	Tools Manufacturer and Distributor	539	6	1.13%					
Julius Blum, Inc.	Cabinet and Furniture Hardware	474	7	0.99%	372	7	0.96%		
American Woodmark	Vanities and Marble Counter Tops	468	8	0.98%	625	5	1.61%		
Lowes Home Centers, Inc.	Retail/Home Improvement	380	9	0.80%	270	9	0.69%		
Cataler North America	Automobile Components	380	10	0.80%	264	10	0.68%		
Carolinias Medical Center	Medical Care				652	4	1.68%		
Actavis Corp.	Pharmaceuticals				330	8	0.85%		
Total		6,850			6,107				
Total Civilian Labor Force for the County		47,758				38,906			

Sources: Lincoln Economic Development Association  
 Federal Reserve Bank of St. Louis  
 Telephone survey Finance Department

Table 17  
Lincoln County  
Full-time Equivalent County Government Employees by Function  
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,					
	2015	2016	2017	2018	2019	2020
General government						
Governing Body	1.0	1.0	1.0	1.0	1.0	1.0
Administration and Finance	13.2	15.5	20.0	20.0	23.0	22.0
Management Information Systems	8.0	8.0	8.0	8.5	9.0	11.0
Elections	4.0	4.0	11.8	11.8	20.0	15.2
Tax	25.0	25.5	26.8	29.3	27.8	27.4
Register of Deeds	7.0	6.5	7.5	8.5	8.0	8.0
Public Buildings	13.4	16.0	28.8	29.8	28.8	33.4
Public safety						
Sheriff	128.0	144.5	132.0	131.5	142.0	137.4
Communications	19.8	22.5	22.0	23.0	22.0	25.4
Jail	44.6	45.0	44.0	45.8	41.5	46.2
Emergency Management	2.0	2.0	2.5	3.0	3.0	3.0
Emergency Medical Service	78.4	94.3	92.3	89.3	90.3	84.6
Fire Marshal	2.0	3.0	3.0	3.0	4.0	4.0
Building and Land Development	20.0	21.0	23.0	23.0	24.0	23.0
Animal Control	11.2	13.5	15.5	19.5	19.5	18.2
Economic and physical development						
Cooperative Extension	1.6	2.0	1.8	1.8	1.8	1.8
Soil and Water Conservation	4.0	4.0	5.0	5.0	5.8	5.2
Human services						
Health	73.4	66.3	65.0	64.5	67.0	67.6
Social Services	130.7	129.0	128.3	130.3	135.5	134.2
Veterans Service	2.0	2.0	2.0	2.0	2.0	3.0
Juvenile Crime Prevention	0.5	0.5	0.5	0.5	0.5	0.5
Office on Aging	4.0	5.8	5.5	6.0	5.5	4.0
Transportation						
Transportation Lincoln County	16.6	23.3	25.5	24.8	27.5	20.8
Cultural and recreation						
Recreation	25.4	24.0	15.3	19.3	19.5	13.6
Library	18.4	18.3	18.8	18.3	22.0	20.4
Water and Sewer	39.8	37.3	36.8	35.5	40.0	43.0
Solid Waste	40.2	46.3	49.8	51.5	46.8	45.6
Total	734.2	781.1	792.0	806.5	837.3	814.1

Source: County Personnel Office

Note: This table represents the number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers.

Full time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this schedule the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

**Table 18**  
**Lincoln County**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year					
	2015	2016	2017	2018	2019	2020
<b>Governmental activities:</b>						
General government						
Management Information Systems	3,325	3,926	4,630	4,753	5,464	5,968
Work orders						
Elections	52,661	55,744	58,634	57,324	56,416	59,141
Registered voters	24,032	24,372	36,241	11,055	n/a	17,701
Votes cast in general elections (votes odd years city; even county wide)						
Tax	485	651	862	892	888	913
Number of land records created						
Number of ownership transfers-real estate/mfg. homes	4,350	4,792	5,391	6,074	7,614	7,231
Number of tax bills created - real/personal	71,596	73,854	74,902	77,141	79,327	81,040
Number of tax bills created - registered vehicles	84,928	78,076	79,651	80,459	79,497	92,525
Register of Deeds	12,092	13,647	15,069	14,771	14,150	16,644
Total documents recorded	3,028	3,405	3,956	3,958	3,948	3,904
Deeds recorded	567	583	516	571	552	530
Marriage licenses issued	461	464	458	454	503	540
Births occurring	495	555	546	598	602	665
Deaths occurring	4,902	5,499	5,404	5,995	6,240	6,495
Certified copies issued						
Public safety	3,848	3,025	2,921	4,317	4,300	2,305
Arrests	13,174	11,394	10,544	10,361	12,065	9,322
Civil papers served	4,065	4,548	4,399	4,451	4,196	3,225
Jail bookings	135	138	154	153	154	139
Average daily jail population	111,509	113,207	144,171	141,165	126,027	111,663
Communications total calls						
Building permits issued	2,960	7,514	4,191	5,183	5,192	5,576
Building inspections conducted	19,868	24,373	29,446	38,431	37,424	36,199
Emergency medical calls answered	14,957	14,521	15,237	15,959	16,126	15,824
Emergency patients transported	10,036	10,239	8,858	8,687	8,751	8,593
Number of firemen and officers	453	411	554	511	530	528
Number of fire calls answered	9,746	8,401	8,567	7,169	9,496	10,941
Number of fire marshal inspections	1,776	1,135	1,309	2,539	2,231	2,361
Animals entering shelter	3,285	3,262	2,834	1,883	2,821	2,948
Animals euthanized	735	484	423	98	100	93

**Table 18**  
**Lincoln County**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year						
	2015	2016	2017	2018	2019	2020	2021
Transportation							
Clients served	815	790	833	893	867	829	643
Trips provided	63,499	60,174	64,261	65,482	66,628	54,912	25,387
Economic and physical development							
Cooperative Extension client contacts	77,013	23,500	51,500	61,500	65,000	55,000	7,700
Soil and Water Conservation							
Clients assisted	3,752	3,707	3,684	7,000	6,338	5,755	3,724
Funds landowners received from federal and state programs	\$ 667,686	\$ 441,710	\$ 480,047	\$ 754,652	\$ 663,008	\$ 867,171	\$ 1,181,201
Human services							
Health Department patient visits							
Adult Health	3,055	1,949	2,515	1,012	842	621	575
BCCCP	-	-	-	-	-	-	-
Child Health	1,061	425	1,173	1,001	1,248	1,151	751
Employee Health	-	-	-	-	-	-	-
Testing - COVID, STD, TB	-	-	-	-	-	-	-
Family Planning	4,413	4,107	4,153	3,618	4,146	3,744	4,352
Immunizations/Flu	1,481	1,187	1,657	1,739	1,752	1,622	1,836
Maternal Health	1,519	1,517	1,484	-	-	-	-
Primary Care	3,191	2,855	3,837	3,735	3,493	3,217	768
Physicals - Sports, Employment, DOT	-	-	-	-	-	-	-
Sexually transmitted diseases	2,745	2,695	3,360	4,075	4,819	5,082	5,312
Tuberculosis	661	845	889	920	1,040	725	832
Lab services (in-house)	7,650	5,490	5,864	4,405	4,650	4,284	2,925
(referred)	4,454	3,951	4,410	3,202	3,733	3,754	3,410
WIC (women, infants and children)	20,910	20,765	19,855	18,905	17,961	18,644	20,922
Home Health (unduplicated patients)	478	-	-	-	-	-	-
Environmental Health							
Food & Lodging permits	40	27	18	30	34	23	21
Food & Facilities Inspections	863	860	864	835	750	583	523
On-Site Wastewater Permits	471	605	803	854	682	923	1,197
Sewage system finals	247	263	332	356	386	395	465
Water samples	397	447	436	545	316	222	320
New well permits	76	179	207	281	213	254	297
Well Construction Inspection/Certificates	148	147	150	187	174	207	314
Swimming Pools & Tattoo Permits	33	39	22	39	46	44	67
Lead investigations	1	-	-	2	-	1	3
Complaint investigations	70	57	65	56	41	47	64
Social Services cases (may contain duplicates)	98	93	85	93	108	94	101
Child & adult protective services	80	86	108	108	116	93	81
Children in foster care							

**Table 18**  
**Lincoln County**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Work first cases	120	108	106	102	98	96
NC health choice cases	866	776	784	907	1,034	984
Medicaid cases	12,075	11,678	11,822	12,293	11,961	11,582
Food stamp cases	5,505	5,163	4,591	4,437	4,128	4,299
Child support cases	2,834	2,767	2,714	2,677	2,649	2,706
Culture and recreation						
Recreation (shelter & facility reservations)	n/a	1,339	1,316	1,409	358	1,359
Library volumes in collection	173,251	157,541	141,099	144,012	145,212	146,058
Library circulation	245,675	252,018	241,229	243,902	247,054	197,751
Business-type activities:						
Water and Sewer	9,743	10,420	12,491	12,109	12,695	13,299
Number of water customers	2,800,000	2,971,000	3,141,498	3,151,374	3,079,063	4,245,700
Average daily water production	4,472	5,022	5,196	5,686	6,185	6,692
Number of sewer customers	900,000	1,045,000	1,019,628	1,129,590	765,148	1,125,000
Average daily sewage treatment						
Landfill						
Tons of waste sanitary landfill	39,008	35,969	36,814	38,538	37,775	44,273
Tons of waste demolition landfill	9,283	7,308	8,505	7,628	8,656	6,841
Tons of recyclables	2,537	1,870	3,009	1,760	1,804	1,702
Tons of white goods	1,616	2,334	2,669	2,965	3,155	3,540
Tons of tires	1,069	1,064	1,190	1,556	1,370	1,529

Source: Various County Departments

Table 19  
Lincoln County  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	Fiscal Year	2020	2021	2022	2023	2024
Governmental activities:											
General government											
Buildings	25	26	27	30	28	28	40	40	40	40	40
Public safety											
Law enforcement stations	3	3	3	3	3	3	3	3	5	5	5
Patrol units	83	83	95	95	99	110	125	143	168	168	168
Jail capacity	168	168	168	168	168	168	168	168	168	168	168
Emergency medical stations	6	6	8	8	8	8	8	8	8	8	8
Emergency medical apparatus	24	24	24	24	24	24	24	24	24	31	31
Fire department stations	19	19	19	20	20	22	22	23	23	21	21
Transportation											
Number of transportation vehicles	21	21	22	22	23	22	22	22	22	22	22
Cultural and recreation											
Number of libraries	3	3	3	3	3	3	3	3	3	3	3
Number of county parks											
Developed	6	6	6	6	6	6	6	6	7	7	7
Undeveloped	-	-	-	1	1	1	1	1	-	-	-
Park acreage:											
Developed	265	265	265	265	265	265	265	265	295	295	295
Undeveloped	-	-	30	30	30	30	30	30	-	-	-
Number of community centers	2	2	2	2	2	2	2	2	2	2	2
Number of gyms/centers	2	2	2	2	2	2	1	1	1	1	1
Business-type activities:											
Water and Sewer											
Number of water plants	1	1	1	1	1	1	1	1	1	1	1
Miles of water mains	325	332	332	337	339	347	338	360	360	376	376
Number of wastewater plants	1	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewer	176	176	233	185	183	196	200	207	207	212	212
Landfill											
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1	1
Number of demolition landfills	1	1	1	1	1	1	1	1	1	1	1
Number of convenience sites	7	7	7	7	7	7	8	8	8	8	8

Source: Various County Departments

## COMPLIANCE SECTION

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

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Required by the Uniform Guidance And The State Single Audit Implementation Act

Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Required by the Uniform Guidance And The State Single Audit Implementation Act

Schedule of Findings and Questioned Costs

Schedule of Prior Year's Audit Findings

Schedule of Expenditures of Federal and State Awards

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## & ASSOCIATES, CPAs, P.A.

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

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

#### **Independent Auditor's Report**

To the Board of Commissioners  
Lincoln County  
Lincolnton, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon dated October 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the Lincoln County ABC Board, as described in our report on Lincoln County's financial statements. The financial statements of the Lincoln County ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Lincoln County ABC Board or that are reported on separately by those auditors who audited the financial statements of the Lincoln County ABC Board.

#### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2024

# MARTIN ♦ STARNES

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## & ASSOCIATES, CPAs, P.A.

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

#### **Independent Auditor's Report**

To the Board of Commissioners  
Lincoln County  
Lincolnton, North Carolina

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Lincoln County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Lincoln County's major federal programs for the year ended June 30, 2024. Lincoln County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2024

# MARTIN ♦ STARNES

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## & ASSOCIATES, CPAs, P.A.

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

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

#### **Independent Auditor's Report**

To the Board of Commissioners  
Lincoln County  
Lincolnton, North Carolina

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited Lincoln County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Lincoln County's major state programs for the year ended June 30, 2024. Lincoln County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2024

## LINCOLN COUNTY, NORTH CAROLINA

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

#### 1. Summary of Auditor's Results

##### **Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

##### **Federal Awards**

Internal control over major federal programs:

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

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

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

<b><u>Federal Program/Cluster Name</u></b>	<b><u>AL #</u></b>
Medicaid Cluster	93.778
Foster Care, Adoption, and Guardianship Assistance Cluster	93.658, 93.659
COVID-19 Coronavirus State and Local	
Fiscal Recovery Funds	21.027
Child Support Services	93.563
Federal Transit Cluster	20.526

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

Auditee qualified as low-risk auditee? No

## LINCOLN COUNTY, NORTH CAROLINA

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

#### **1. Summary of Auditor's Results (continued)**

##### **State Awards**

Internal control over major state programs:

• Material weakness(es) identified?	No
• Significant deficiency(es) identified?	No

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

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

Identification of major state programs:

##### **Program Name**

General Fund Appropriations  
State Capital and Infrastructure Fund (SCIF) Grants  
Medicaid Cluster  
Foster Care, Adoption, and Guardianship  
Assistance Cluster  
Federal Transit Cluster

Auditee qualified as state low-risk auditee? No

#### **2. Financial Statement Findings**

None reported.

#### **3. Federal Award Findings and Questioned Costs**

None.

#### **4. State Award Findings and Questioned Costs**

None.

**LINCOLN COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Finding:** **2023-001**

**Status:** Corrected.

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

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed. (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Pass-through to Subrecipients</b>
<b>Federal Awards:</b>					
<b>U.S. Department of Agriculture</b>					
Food and Nutrition Service					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
Administration:					
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program	10.561	205NC403S2514	\$ 1,021,536	\$ -	\$ -
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			1,021,536	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
WIC Special Supplemental Nutrition Program for					
Women, Infants, & Children		13A2-5403-GD; 13A2-5404-GD;			
		13A2-5405-GD; 13A2-5409-GD;			
	10.557	13A2-570H-JQ; 13A2-570G-JQ;	342,203		
		13A2-570F-JQ; 133001-2D0570H-			
		20G003001; 133001-			
		2D15403.4.5.9-20G0001001			
<b>U.S. Department of Housing and Urban Development</b>					
Passed-through the N.C. Dept. of Commerce:					
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	14.228	B-20-DC-37-0001	35,804	-	-
<b>U.S. Department of Treasury</b>					
Direct Program:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		1,547,953	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	230330-2B0SFLA-200TT0000;	7,981	-	-
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds		230330-2B0SFLT-200TT0000	1,555,934	-	-
<b>U.S. Department of Justice</b>					
Direct Programs:					
Equitable Sharing Program	16.922		123,212	-	-
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838		46,929	-	-
<b>U.S. Department of Transportation</b>					
Passed-through the N.C. Dept. of Transportation:					
Federal Transit Cluster:					
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	44637.68.1.3; 44637.68.2.3	597,195	110,039	-
Total Federal Transit Cluster			597,195	110,039	-
Transit Services Program Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.73.8.3	44,505	5,563	-
Total Transit Services Program Cluster			44,505	5,563	-
Federal Transit Administration:					
Formula Grants for Rural Areas and Tribal Transit Program- Admin	20.509	36233.114.13.1	205,821	12,881	-
Formula Grants for Rural Areas and Tribal Transit Program- Capital	20.509	36233.114.13.3	89,530	11,191	-
<b>U.S. Department of Homeland Security</b>					
Passed-through N.C. Dept. of Public Safety:					
Federal Emergency Management Agency:					
Emergency Management Performance Grants	97.042	EMPG-2023-2320055	54,073	-	-
<b>National Endowment for the Humanities (NEH)</b>					
Passed-through N.C. Dept. of Natural & Cultural Resources:					
Institute of Museum and Library Services					
Grants to States	45.310	LS-253645-OLS-23	37,945	-	-
<b>U.S. Department of Health &amp; Human Services</b>					
Substance Abuse and Mental Health Services Administration					
Direct Program:					
Substance Abuse and Mental Health Services: Projects of Regional and National Significance	93.243		235	-	-
Passed-through the N.C. Dept. of Insurance:					
Division of Social Services:					
Administration for Community Living					
State Health Insurance Assistance Program (SHIP)	93.324	90S-APG0099-03-00	23,016	-	-
Medicare Enrollment Assistance Program	93.071	14AANCMHSI	6,195	-	-
Passed-through Centralina Council of Governments:					

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

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed. (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Pass-through to Subrecipients</b>
<u><b>Administration for Community Living:</b></u>					
<u><b>Aging Cluster:</b></u>					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - Access Services	93.044	AANCT3SS	50,553	111,513	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - In Home & Support Services	93.044	AANCT3SS	147,611	274,238	-
COVID-19-Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Center-Supportive Services	93.044	AANCT3SS	24,237	4,277	-
Special Programs for the Aging, Title III, Part C, Nutrition Services - Congregate Nutrition	93.045	AANCT3CM	87,374	5,140	-
COVID-19-Special Programs for the Aging, Title III, Part C, Nutrition Services-Congregate Nutrition	93.045	AANCT3CM	30,093	5,311	-
Nutrition Services Incentive Program	93.053	AANCNSIP	9,469	-	-
Total Aging Cluster			349,337	400,479	-
<u><b>Passed-through Centralina Council of Governments:</b></u>					
<u><b>Administration for Community Living:</b></u>					
National Family Caregiver Support, Title III, Part E Services - Family Caregiver Support	93.052	AANCT3FC	37,359	2,491	-
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	AANCT3PH	3,400	200	-
<u><b>Administration for Children and Families:</b></u>					
<u><b>Passed-through the N.C. Dept. of Health and Human Services:</b></u>					
<u><b>Division of Social Services:</b></u>					
<u><b>Foster Care, Adoption and Guardianship Assistance Cluster (Note 3):</b></u>					
Administration:					
Adoption Assistance	93.659	2001NCADPT	38,264	-	-
Foster Care - Title IV-E	93.658	2001NCFOST	714,624	34,169	-
Direct Benefit Payments:					
Foster Care - Title IV-E	93.658	2001NCFOST	217,228	62,843	-
Total Foster Care, Adoption and Guardianship Assistance Cluster (Note 3)			970,116	97,012	-
<u><b>Special Children Adoption Fund Cluster: (Note 3):</b></u>					
Administration:					
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	2001NCFPSS	9,436	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2001NCCWSS	-	83,452	-
Total Special Children Adoption Fund Cluster (Note 3)			9,436	83,452	-
<u><b>Temporary Assistance for Needy Families:</b></u>					
<u><b>Division of Social Services:</b></u>					
Administration:					
Temporary Assistance for Needy Families (TANF)/ Work First	93.558	2001NCTANF	134,282	-	-
Temporary Assistance for Needy Families (TANF)/ Work First Service	93.558	2001NCTANF	812,226	-	-
<u><b>Division of Public Health:</b></u>					
Administration:					
Temporary Assistance for Needy Families	93.558	13A1-5151-T2; 133000-2B25151-20G0119003	8,277	-	-
Administration:					
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCC1LP	18,715	4,679	-
Low Income Home Energy Assistance	93.568	G20B1NCLIEA	76,860	-	-
COVID-19-Low Income Home Energy Assistance	93.568	G20B1NCLIEA	22,922	-	-
Child Support Services	93.563	2004NC4005	819,446	-	-
Social Services Block Grant	93.667	G2001NCSOSR	306,547	-	-
Direct Benefit Payments:					
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCC1LP	16,297	-	-
<u><b>Administration for Children and Families:</b></u>					
<u><b>Passed-through the N.C. Dept. of Health and Human Services:</b></u>					
<u><b>Subsidized Child Care Program Cluster (Note 3):</b></u>					
<u><b>Child Care Development Fund Cluster:</b></u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care Development Fund - Administration	93.596	G2001NCCCDF	101,888	-	-
Total Subsidized Child Care Program Cluster/Child Care Development Fund Cluster (Note 3)			101,888	-	-
<u><b>Center for Medicare and Medicaid Services</b></u>					
<u><b>Passed-through the N.C. Dept. of Health and Human Services:</b></u>					
<u><b>Division of Health Benefits:</b></u>					
<u><b>Medicaid Cluster:</b></u>					
Administration:					
Medical Assistance Program	93.778	XIX-MAP23	2,568,796	103,657	-
Total Medicaid Cluster			2,568,796	103,657	-

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

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed. (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Pass-through to Subrecipients</b>
Children's Health Insurance Program - North Carolina Health Choice: Administration: Children's Health Insurance Program	93.767	CHIP24	189,942	3,607	-
<b>Health Resources and Service Administration</b> Passed-through the N.C. Dept. of Health and Human Services: <b>Division of Public Health:</b>					
Maternal and Child Health Services Block Grant to the States	93.994	13A1-5735-AP; 1271-5318-AR; 1271-5745-AR; 1271-5351-AR; 13A1-5740-AP; 133000-2B15740- 20G0185001; 133000-2B25735- 20G0185001; 132105-2D05318- 20G0185002; 132105-2D05745- 20G0185002	71,014	273	-
<b>Office of Population Affairs</b> <b>Division of Public Health:</b> Passed-through the N.C. Dept. of Health and Human Services:	93.217	13A1-5900-FP; 133000-2B25900- 20G0079002; 133000-2B26021- 20G0079004	55,583	-	-
<b>Center for Disease Control and Prevention</b> Passed-through the N.C. Dept. of Health and Human Services: <b>Division of Public Health:</b>					
Public Health Emergency Preparedness (PHEP)	93.069	1264-2679-EU; 1264-2679-EW; 132008-2B32679-20G0054001	38,433	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460-2720-NF; 134600-2B22720- 20G0065001	50	-	-
Immunization Cooperative Agreements	93.268	1331-631E-EJ	18,560	-	-
COVID-19-Immunization Cooperative Agreements	93.268	1331-6315-LD; 133401-2B06315- 20G0092002	18,956	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	131304-2B1883A-20G0097001	166,229	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320-3100-D7; 133300-2B03100- 20G0167001	20,350	-	-
Preventive Health and Health Services Block Grant	93.991	1261-5503-PH; 132001-2B15503- 20G0184002	30,431	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311-4631-NB; 133200-2B04631- 20G0182001	100	-	-
HIV Care Formula Grants-Ryan White Care Act	93.917	133200-2B04536-20G0169002; 133200-2B04601-20G0169002	409	-	-
<b>National Institutes of Health</b> Passed-through Duke University: Cardiovascular Diseases Research	93.837	A003411,SPS-250383	13,025 6,908,432 11,063,119	- 695,850 835,524	- - -
<b>Total Federal Awards</b>					
<b>State Awards:</b>					
<b>N.C. Department of Agriculture and Consumer Services</b> <b>Division of Soil &amp; Water:</b>					
N.C. Agriculture Cost Share Funds Streamflow Rehabilitation Assistance Program	22-080-4047		30,540 252,159	-	-
<b>N.C. Department of Natural and Cultural Resources</b> <b>Division of State Library:</b>					
State Aid to Public Libraries			221,226		
<b>N.C. Department of Environmental Quality</b> <b>Division of Waste Management</b>			20,300		
Electronics Management Fund					
<b>N.C. Department of Health and Human Services</b> <b>Division of Social Services:</b>					
State Child Welfare/CPS/CS LD DCD Smart Start Extended F/C Maximization Non Title IV-E - Direct Benefit Payments F/C At Risk Maximization- Direct Benefit Payments SFHF Maximization- Direct Benefit Payments State Foster Home- Direct Benefit Payments			118,111 71,002 42,542 17,586 46,800 112,517		
<b>Division of Public Health:</b>					
Food and Lodging Fees General Aid to Counties/Public Health Capacity Building General Communicable Disease Control Breast and Cervical Cancer Program Health Community Activities			11,652 100,554 12,488 12,500 3,747		

**LINCOLN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
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Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Child Health			6,733		-
Women's Health Service Fund			7,172		-
Family Planning-State			2,031		-
Maternal Health (HMHC)			9,544		-
High Risk Maternity Clinics			16,408		-
HIV/STD State			1,943		-
School Nurse Funding Initiative			150,000		-
Tuberculosis			2,612		-
State Fiscal Recovery Funds			155,607		-
Passed through Centralina Council of Governments:					
<u>Division of Aging and Adult Services:</u>					
Administration:			11,093		-
Senior Center General			339		-
Fan/Heat Program					
<b>N.C. Department of Military &amp; Veterans Affairs</b>					
Dept of Military & Veterans Affairs Community Grant			2,174		-
<b>N.C. Department of Public Instruction</b>					
Public School Building Capital Fund			500,000		-
<b>N.C. Department of Public Safety</b>					
<u>Division of Juvenile Justice:</u>					
CIS After School Program			17,123		-
CIS Gives Back			34,386		-
CIS Transition			26,568		-
JCPC Administration			12,500		-
Juvenile Mediation			32,410		-
Kids At Work			35,146		-
CIS Strengthening Families			16,910		-
Teen Court-Mediation Center for the Southern Piedmont			28,964		-
PORT Program			16,342		-
<u>Emergency Management:</u>					
Hazardous Materials Grant-N.C. Tier II			1,000		-
<b>N.C. Department of Transportation</b>					
ROAP-Employment			24,317		-
ROAP-EDTAP			97,161		-
ROAP-Rural General Public Transportation			62,835		-
Rural Operating Assistance Program			184,313		-
Rural State Operating Program			156,000		-
<b>N.C. Office of State and Budget Management</b>					
General Fund Appropriation	20386		658,245		-
State Capital and Infrastructure Fund (SCIF) Grants					
General Projects	20381		175,065		-
Old Courthouse	20382		464,100		-
Landfill Capital	20383		672,132		-
Rescue Park Soccer Fields	20384		1,100,000		-
Library Capital Improvements	20387		1,628,337		-
Total State Capital and Infrastructure Fund (SCIF) Grants			4,039,634		-
Passed through Cleveland County:					
Directed Grants					
Optimist Fields			-	24,883	-
Crime Stoppers			-	2,400	-
Airport Improvements			-	57,083	-
Total Directed Grants			-	84,366	-
<b>Total State awards</b>			7,198,921	84,366	
<b>Other Financial Assistance</b>					
NC Department of Justice					
Opioid Settlement Fund (Note 5)			83,041		-
<b>Total Federal and State awards</b>			\$ 11,063,119	\$ 8,117,486	\$ 84,366

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

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State awards (SEFSA) includes the federal and State grant activity of Lincoln County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act*. Because the SEFSA presents only a selected portion of the operations of Lincoln County, it is not intended to and does not present the financial position, changes in net position or cash flows of Lincoln County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Lincoln County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed. (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Pass-through to Subrecipients</b>
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## Note 3: Cluster of Programs

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

## Note 4: Loans Outstanding

Lincoln County had the following loan balance outstanding at June 30, 2024. This loan balance outstanding is also included in the Federal expenditures presented in the schedule.

<b>Program Title</b>	<b>ALN</b>	<b>Pass-through Grantor's Number</b>	<b>Amount Outstanding</b>
Clean Water State Revolving Funds	66.458	E-SRF-T-20-0510	\$ 11,900,000
Drinking Water State Revolving Funds	66.468	H-SRF-F-21-1950	\$ 6,176,487

## Note 5: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.