

IREDELL COUNTY NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

Submitted to

THE BOARD OF COUNTY COMMISSIONERS

James B. Mallory III, Chairman

Thomas Bowles, Vice-Chairman

Marvin Norman

Gene Houpe

Jeff McNeely

by

Beth M. Jones, County Manager

and

Debra L. Cheek, Director of Finance

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Introductory Section:	
	Letter of Transmittal	1-7
	GFOA Certificate of Achievement for Excellence in Financial Reporting	8
	Organizational Chart	9
	List of Principal Officials	10
	Financial Section:	
	Independent Auditor's Report	11-13
	Management's Discussion and Analysis	14-29
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
A	Statement of Net Position	30
B	Statement of Activities	31-32
	Fund Financial Statements:	
C	Balance Sheet - Governmental Funds	33-34
D	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	35
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	36
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	37
G	Statement of Net Position - Proprietary Funds	38
H	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	39
I	Statement of Cash Flows - Proprietary Funds	40
J	Statement of Fiduciary Net Position - Fiduciary Fund	41

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Notes to the Financial Statements	42-94
	Required Supplementary Financial Data:	
A-1	Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability	95
A-2	Law Enforcement Officers' Special Separation Allowance - Schedule of Total Pension Liability as a Percentage of Covered Payroll	96
A-3	Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios	97
A-4	Local Government Employees' Retirement System Iredell County's Proportionate Share of Net Pension Liability (Asset) Last Six Fiscal Years	98
A-5	Local Government Employees' Retirement System Iredell County's Contributions Last Six Fiscal Years	99
A-6	Register of Deed's Supplemental Pension Fund Iredell County's Proportionate Share of Net Pension Liability (Asset) Last Six Fiscal Years	100
A-7	Register of Deed's Supplemental Pension Fund Iredell County's Contributions Last Six Fiscal Years	101
	Supplementary Information:	
	Major Governmental Funds:	
	General Fund:	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	102-110
B-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - 2018 ISS GO Middle School Project	111

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	112
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113
	Nonmajor Special Revenue Funds:	
D-1	Combining Balance Sheet	114-115
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116-117
D-3	Emergency Telephone System Fund: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
D-4	Transportation Services Fund: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	119
D-5	Fire District Fund: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	120
D-6	Juvenile Crime Prevention Grant Fund: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	121
	Nonmajor Capital Project Funds:	
E-1	Combining Balance Sheet	122-123
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	124-125
E-3	Parks Capital Project Fund (1): Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	126
E-4	Facilities Improvement Fund: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	127

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Capital Project Funds (continued):	
E-5	Public Safety Complex Capital Project Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	128
E-6	Jennings Park Project: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	129
E-7	2016 GO Bond NIHS/SIHS Project: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	130
E-8	Jail Expansion Project: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	131
E-9	Mooresville High School Project: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	132
E-10	2018 GO Bonds MCC Project: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	133
	Enterprise Funds:	
F-1	Solid Waste Disposal Facility: Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)	134-135
F-2	Phase IV Construction and Land Purchase: Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	136
F-3	EMS Special Services Fund: Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	137-138

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Internal Service Funds:	
G-1	Combining Statement of Net Position	139
G-2	Combining Statement of Revenues, Expenses, and Changes in Net Position	140
G-3	Combining Statement of Cash Flows	141
G-4	Employee HealthCare Benefits: Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	142
G-5	Workers' Compensation Benefits: Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	143
G-6	Property and Liability Insurance Fund: Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	144
	Agency Funds:	
H-1	Combining Statement of Changes in Assets and Liabilities	145-146
	Additional Financial Data:	
I-1	Schedule of Ad Valorem Taxes Receivable	147
I-2	Analysis of Current Year Levy	148-149
	Statistical Section:	
1	Net Position by Component, Last Ten Fiscal Years	150
2	Changes in Net Position, Last Ten Fiscal Years	151-152
3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	153
4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	154
5	Assessed Value and Actual Values of Taxable Property, Last Ten Fiscal Years	155

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Statistical Section (continued):	
6	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	156
7	Principal Property Taxpayers, Current Year and Nine Years Ago	157
8	Property Tax Levies and Collections, Last Ten Fiscal Years	158
9	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	159
10	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	160
11	Legal Debt Margin Information, Last Ten Fiscal Years	161
12	Pledged-Revenue Coverage, Last Ten Fiscal Years	162
13	Demographics and Economic Statistics, Last Ten Fiscal Years	163
14	Principal Employers, Current Year and Nine Years Ago	164
15	Full-Time Equivalent County Government Employees by Function, Last Ten Fiscal Years	165
16	Operating Indicators by Function/Program, Last Ten Fiscal Years	166
17	Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	167

IREDELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Compliance Section:	
Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	168-169
Report On Compliance With Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With The Uniform Guidance And The State Single Audit Implementation Act	170-171
Report On Compliance With Each Major State Program; Report On Internal Control Over Compliance; In Accordance With The Uniform Guidance And The State Single Audit Implementation Act	172-173
Schedule of Findings, Responses, and Questioned Costs	174-175
Schedule of Prior Year Findings	176
Schedule of Expenditures of Federal and State Awards	177-180

This page left blank intentionally.

INTRODUCTORY SECTION

This page left blank intentionally.



IREDELL COUNTY

Finance Department

200 South Center Street / P.O. Box 788

Statesville, North Carolina 28687-0788

www.co.iredell.nc.us

Phone (704)878-3040 Fax (704)878-3032

October 23, 2019

To the Members of the Board of Commissioners and Citizens of Iredell County:

The comprehensive annual financial report of Iredell County, North Carolina for the fiscal year ended June 30, 2019 is hereby submitted. The North Carolina General Statutes require all general-purpose local governments to issue within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. G. S. 153A-82 requires the County Manager to annually submit to the Board of Commissioners and make available to the public a complete report on the finances and administrative activities as of the end of the fiscal year. Management is responsible for the contents of this comprehensive annual financial report which fulfills both statutory requirements.

Management of Iredell County has established a comprehensive internal control framework designed to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Iredell County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. All disclosures necessary to enable the reader to gain an understanding of Iredell County, North Carolina's activities have been included. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Martin Starnes & Associates, CPAs, PA, a firm of licensed certified public accountants audited the County's financial statements. The purpose of the independent audit was to provide reasonable assurance that the June 30, 2019 financial statements have no material misstatements. The audit involved examining, on a test basis, evidence supporting the amounts presented in the financial statements, assessment of accounting principles used, and evaluation of the financial statements presented. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2019 are presented fairly in all material respects with GAAP. The report of Martin Starnes & Associates, CPA, PA, is presented first in the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal

requirements involving the administration of federal awards. These reports are included in the Comprehensive Annual Financial Report. GAAP requires management to 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 transmittal letter is designed to complement MD&A and should be read in conjunction with it. The County's MD&A is presented immediately following the report of Martin Starnes & Associates, CPAs, PA.

The financial reporting entity (the government) includes all the funds and account groups of the primary government (i.e., Iredell County, North Carolina as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Iredell County Industrial Facility and Pollution Control Financing Authority is a component unit of the County. It, however, has no reportable financial transactions or account balances and is therefore not included in the combined financial statements.

Profile of the County

Iredell County was established November 18, 1788 as a body politic and is located in the piedmont of North Carolina. Surrounded by nine contiguous counties, Iredell County is intersected by Interstates 40 and 77. The County is empowered to levy a property tax on both real and personal property located within its boundaries and levies taxes on behalf of five separate fire tax districts. According to the International City/County Manager's Association, in 1927 Iredell County, North Carolina was the first county in the nation to establish the commissioner-manager form of government. The governing board of commissioners is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and appointing the county manager, tax assessor, tax collector, county attorney, and clerk to the board. The manager is responsible for carrying out the policies and ordinances of the governing board, and for overseeing the day-to-day operations of the government. The five member board of commissioners is elected on a county-wide, partisan basis, with two or four-year terms. Three commissioners are elected every two years, and the chairman is selected by a majority vote of the board members.

Iredell County, North Carolina is 598 square miles and spans more than 40 miles from north to south. The County's population was certified to be 176,229 as of July 2017 of which 106,647 reside in non-incorporated areas. The County has seen an overall increase of 10.53% in population since July 2010. There are 29,663 students currently enrolled in the public schools and Charter Schools. A combination of industrial and agricultural production contributes to the economy of the County. Agriculture in Iredell County is very diverse and has an economic impact of \$662 million with cash gate receipts of \$168 million. Of the 367,488 total acres in Iredell County, 133,346 acres or 36 percent is consumed by 1,055 farms with an average farm size of 126 acres. In North Carolina, Iredell County ranks first in dairy production, all cattle (both beef and dairy), and corn silage production. In addition, Iredell County ranks third in poultry, and fifth in hay production. Other crops include canola, soybeans, corn, wheat, rapeseed, cotton, viniferous grapes, strawberries and nursery crops.

The County provides a full range of services. These services include public safety (law enforcement and detention facilities, funds for fire protection in unincorporated areas and emergency medical services), human services (social services, public health), solid waste disposal, funds for education, cultural and recreational, planning and zoning, general administrative services and others.

There are five municipalities within Iredell County, the City of Statesville and the Towns of Mooresville, Troutman, Harmony, and Love Valley. Statesville, the county seat, is approximately 21 square miles and has a certified population of 25,797. The Town of Mooresville, about 15 miles southeast of Statesville, and about 35 miles north of Charlotte, North Carolina has a certified population of 40,009. Both the City of Statesville and the Town of Mooresville offer municipal water and sewer and have excellent parks and recreational facilities for the citizens. Lake Norman, North Carolina's largest man-made lake, has over 500 miles of shoreline in southern Iredell County. The Town of Troutman is located about five miles south of Statesville. With population estimates of 2,752, Troutman has enjoyed both residential and commercial growth over the past few years. With Harmony to the east and Love Valley to the west of Interstate 77, the Towns are located in northern Iredell County, approximately twenty miles from Statesville. Harmony, with a population of 550, is a very charming small town surrounded by some of Iredell County's most productive farms and dairies. The Town of Love Valley, with a year-round population of about 122, is located in the shadow of the Brushy Mountains. Love Valley offers a taste of the "old west" where hitching posts line the streets and horseback is the most common means of transportation. During holiday weekends, the Town's population increases by several thousand.

The County adopts an annual budget with a July 1 effective date. The budget provides the basis for financial planning and control. The budget process starts in January of each year when County departments are presented a budget package for the upcoming year. The departments are given approximately five weeks to complete their requests and submit them with documentation for all increases. The finance officer, assistant finance officer, and budget analyst compile the departmental requests and present a working document to the county manager as a starting point to develop a proposed budget. The county manager submits her recommended budget to the county commissioners by mid-May for their consideration and deliberation. The board of commissioners holds a public hearing to consider public comments on the budget on the first Tuesday in June, and formally adopts the subsequent year's budget prior to June 30. Appropriations are made at the fund and department level, for example, Department of Social Services. The county manager can approve department directors' requests to make transfers within operating line items and within salary line items. County Commissioners' approval is required for most transfers between operating and salary line items and transfers between departments. This report includes budget-to-actual comparisons for each individual governmental fund for which an annual budget has been adopted. The governmental fund section also includes project-length, budget-to-actual comparisons for those budgets adopted on a project basis (capital project funds).

Factors Affecting Financial Condition

The County's access to Interstate Highways 40 and 77, proximity to Charlotte, quality of life, and low tax rate have diversified the County's economy through private investments in manufacturing, retail, motorsports, and other industries making the County very attractive in corporate recruitment. The production of various goods such as automotive components, paper products, plastics, metals, polymer fiber, bottled water, glass, among others, are shipped throughout the world. Due to accessibility to these interstates, 54% of the U.S. population lives within a 650-mile radius of Mooresville, a day's drive or a 90 minute flight. The County hosts several large manufacturers including Ingersoll-Rand Company, NGK Ceramics USA, Inc. and Doosan Portable Power.

The County is also the location of the corporate headquarters of Lowe's Companies, Inc. There are approximately 4,000 employees located at the Lowe's Companies, Inc.'s 1.2 million square-foot main campus and approximately 60 ancillary businesses within 10 to 15 minutes of the campus.

ASMO, Inc., manufacturer of components for the automotive industry continues to invest in equipment and fixtures in their existing facility. ASMO, Inc. has invested over \$114.8 million as of January 1, 2019 for planned improvements.

GMS Racing announced its intent to re-locate to the Statesville Regional Airport in March 2015 investing \$5 million and created 40 jobs with wages of approximately \$30 per hour. As of January 1, 2019, GMS has actually invested over \$25.2 million in aircraft and equipment.

In November, 2016 **AmesburyTruth** broke ground on a \$38 million facility to combine the company's two Statesville locations into a consolidated center of excellence. Combining the two operations into the new 242,742 square foot facility has increased employment from 175 to 273 employees. Investments in property, equipment and fixtures as of January 1, 2019 total \$25.4 million. The company makes door and window products, and it is a subsidiary of Tyman PLC headquartered in London, England.

The creation of **Larkin Regional Commerce Park**, a 1,000-acre site southeast of Statesville off I-77 at exit 45 was announced in July 2017. The site is poised to become the region's hub for industrial, advanced manufacturing and e-commerce. Larkin has announced they will construct a one million square foot building for an estimated cost of \$30 million.

With its roots in custom injection molding, **Mack Molding** today is a leading supplier of contract manufacturing services and injection molded plastic parts to companies in a range of industries. Mack plans to expand their existing facility by 6500 square foot and construct a new 54,000 square foot warehouse. This project is estimated at \$6 million and will add 109 jobs.

The primary focus for the **Town of Mooresville** and southern Iredell County has been to maintain a diversified tax base. Along with extensive residential development, supporting businesses and new companies are coming in to the community and existing companies are expanding.

Partnering with Mooresville South Iredell Economic Development Commission, Iredell County invested \$675,000 over a two-year period in the purchase of a 476-acre tract of land for a new industrial park in Mooresville.

MacLean Curtis, a division of MacLean Fogg Component Solutions, purchased 24 acres in this new industrial park and completed construction of a 96,000 square foot building. The environmentally friendly building opened in November 2016 and facilitates relationships with customers in the region that are in need of precision-machined components. The company currently has 130 employees earning an average annual salary of \$40,000. As of January 1, 2019 MacLean Curtis investments have exceeded \$25 million.

Berry Global products include engineered materials, nonwoven specialty materials and consumer packaging. Berry announced in August 2018 that they will expand their current facility 7,500 square feet for a total cost of \$52.1 million. As of January 1, 2019 Berry has invested \$1.7 million.

Kooks Headers and Exhaust opened their new Mooresville facility in November 2016 with an investment of \$3.2 million. The company is a second-generation family owned business operated for over 50 years. The company is heavily involved in various types of racing including

drag, circle track, motorcycle and offshore boat events. Kooks investments as of January 1, 2019 exceed \$9 million and they currently have 74 employees.

Tristone Flowtech USA Inc., a subsidiary of a German supplier of fluid applications and air intake systems for the automotive industry, selected Iredell County for its first US manufacturing facility. The Company plans to invest \$23.6 million in the Mooresville location, and create new jobs. As of January 1, 2019 Tristone has invested close to \$20 million and currently has 34 employees.

Corvid Technologies LLC provides physics-based engineering solutions for the defense, automotive, aircraft and biomedical industries, and it has been operating in Iredell County since 2004. In March 2018, Corvid announced its plans to locate its national headquarters facility in Iredell County. The company plans to invest \$28.9 million in the headquarters campus and create 367 new jobs. As of January 1, 2019 Corvid has invested \$12.6 million and currently has 151 employees.

WestRock, a manufacturer of container board and corrugated packaging for commercial markets, has invested \$18.5 million in equipment at their Mooresville facility in the last fiscal year.

The County's continued commitment to local industry is evident in its investment in local airport facilities. The City of Statesville and the County provide the local matching share for State and federal aviation grants which, together with local funds, are used to make improvements at the Statesville Airport. Aircraft can fly non-stop from the Statesville Airport to the west coast of the US or Europe. This investment in the airport is very attractive to new industry as well as businesses currently located in the County and neighboring counties. The valuation of aircraft located at the Statesville Airport as of January 1, 2019 is \$103,178,400.

Long-term Financial Planning

The County's operating budget (which includes the General Fund, Solid Waste Fund, EMS Special Services Fund, 911 Emergency Telephone Fund, Transportation Fund, Workers Compensation Fund, Property and Liability Insurance Fund, Healthcare Benefits Fund, Fire District Funds, and JCPC Grant Fund) totals \$273,770,442 for the fiscal year ending June 30, 2019. The tax rate supporting the General Fund is \$.5275 per \$100 of assessed value based on total estimated valuation of \$23,174,640,000. Fire District Funds are supported by taxes levied on the areas of their districts at the following rates: Countywide - \$.07 per \$100 on estimated assessed value of \$8,172,750,000; East Alexander - \$.07 per \$100 on estimated assessed value of \$168,733,500; Mt. Mourne - \$.06 per \$100 on estimated assessed value of \$1,409,100,000; Shepherds - \$.07 per \$100 on estimated assessed value of \$1,589,379,000; and Troutman - \$.07 per \$100 on estimated assessed value of \$2,223,450,000.

The County updated its governmental facilities survey and physical assessment and developed an improvement plan for 23 different county-owned buildings including projects for parking, painting, roofing, and other indoor and outdoor renovations. The project was fully funded by fund balance appropriation from the General Fund to the Facilities Improvements Capital Project Fund in previous years. As part of the annual budget process, the County re-examines and updates the improvement plan to ensure the County's commitments, obligations, and anticipated needs are met in a fiscally sound manner. Since its inception, the Facilities Improvement Capital Project Fund has been increased to \$5,514,200.

The County uses pay-as-you-go financing as a significant capital financing source, but recognizes that debt issuance is sometimes the most appropriate financing structure for a capital project. Current debt obligations and planned debt issuance are factored into the County's long-term financial plan.

Relevant Financial Policies

In accordance with state statute, appropriated fund balance in any fund will not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts

The County will maintain an undesignated fund balance that exceeds eight percent (8%) in accordance with North Carolina Local Government Commission's (LGC) recommendation. The additional fund balance is maintained in the General Fund in case unforeseen needs or opportunities should arise. The amount of fund balance is strongly influenced by economic conditions within the County, future capital outlay needs, revenue stability, and in Iredell County's case, the limited susceptibility to natural disasters.

FOR THE YEAR

The government's staff, following specific directives of the governing board and the county manager, has been involved in a variety of projects throughout the year. These projects reflect the County's commitment to ensuring that its citizens are able to live and work in an enviable environment.

During budget preparation, the Board of Commissioners examined levels of services in programs currently offered and how the services could be provided more efficiently. Capital projects were considered and approved in areas that will enable the County to better serve the needs of the public and county government.

During the fiscal year, the Iredell County Board of Commissioners continued its commitment to new jail construction by appropriating \$592,594 General Fund unassigned fund balance to the Jail Capital Project Fund. As of June 30, 2019, total appropriations of \$29,542,835 have been made for the Jail project. Construction of the new Jail is currently near completion with an estimated date to occupy of November 2019. The County continues to contract with the NC Administrative Office of the Courts for an additional assistant district attorney to facilitate quicker adjudication of jail inmates, continues to fund an additional Bailiff's position to funnel information and paperwork between the Jail, ADA, and courts, and has contracts with surrounding counties for out-of-county inmate placements. After the completion of the new Jail, the out-of-county housing should be eliminated.

The Commissioners continued their commitment to a Public Safety Capital Project Fund during the year. This \$21 million facility houses Emergency Medical Services main base, Emergency Communications, Fire Marshal, and Emergency Management. These departments share resources, administrative staff, and leadership. Relocating Departments to the new facility started in February 2019 with Emergency Communications being the last to move in July 2019. As of June 30, 2019, total appropriations of \$21,026,325 have been made for the Public Safety Capital Project Fund.

The County's Landfill is currently operating in Phase V, a seventeen acre cell that was constructed in 2008. The County has recently requested a life of site permit for all acres that are

currently approved on site suitability plans. Construction on Phase VI has begun with completion expected by October 2020. The entire site has approximately 24 years of life left at current disposal and compaction rates. Additional acreage for future disposal is available but has not been placed on site suitability.

AWARDS. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the government for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This is the 31st year the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The reports 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 comprehensive annual 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.

ACKNOWLEDGMENTS. We would like to express our gratitude to the employees of Iredell County who continue to serve the citizens of the County as efficiently and as effectively as possible. We also offer our sincere thanks to the Iredell County Board of Commissioners for their continued leadership and support.

Respectfully submitted,



Beth M. Jones
County Manager



Debra L. Cheek
Director of Finance



Government Finance Officers Association

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

Presented to

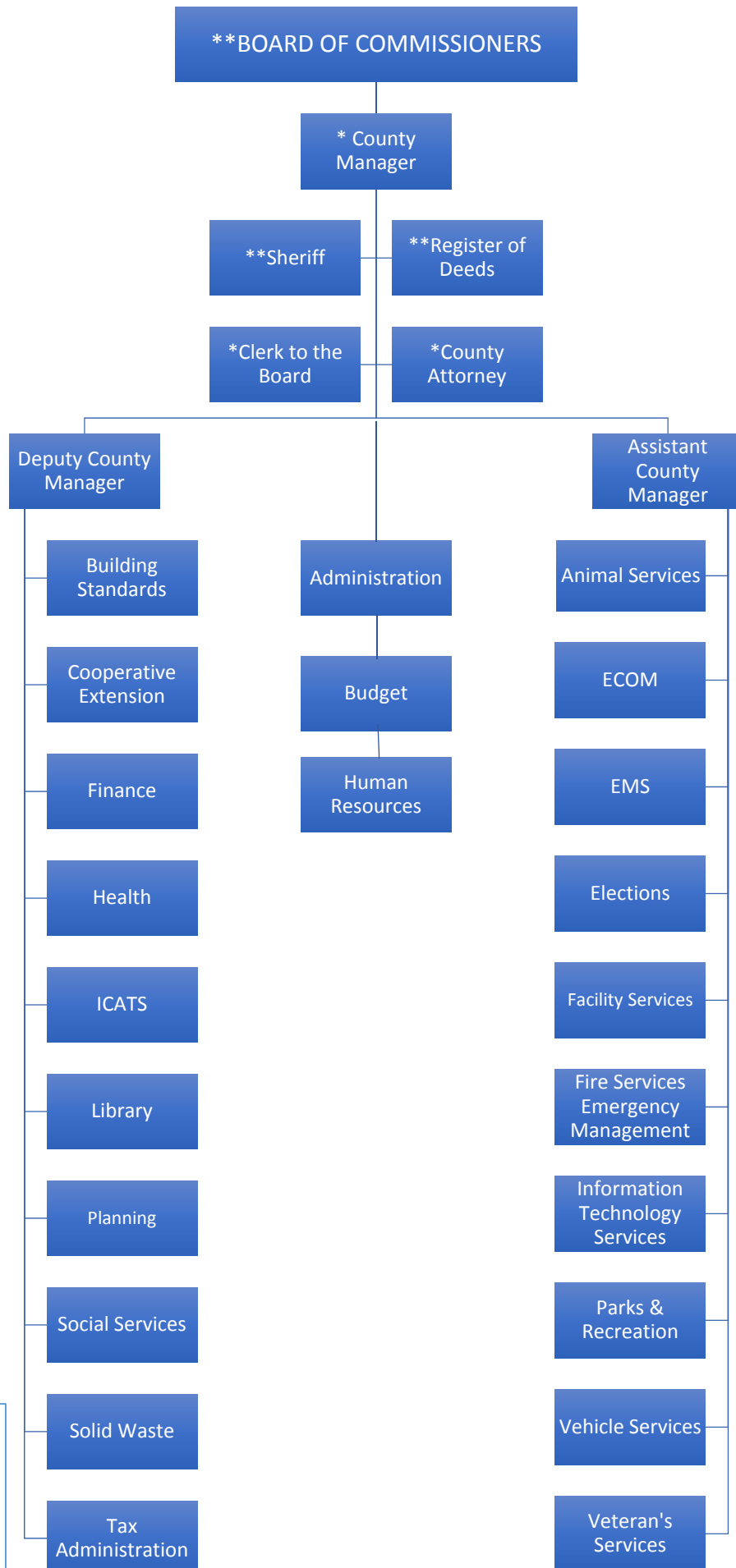
**Iredell County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



IREDELL COUNTY, NORTH CAROLINA

Board of County Commissioners

James B. Mallory III, Chairman

Thomas Bowles, Vice-Chairman

Marvin Norman

Gene Houpe

Jeff McNeely

County Officials

Beth M. Jones	County Manager
Lisa Valdez	County Attorney
Amy Anderson	Clerk to the Board
Darren E. Campbell	Sheriff
Ronald N. Wyatt	Register of Deeds
Susan G. Robertson	Deputy County Manager
Joseph R. Pierce	Assistant County Manager
Matthew Todd	Director of Planning
Debra L. Cheek	Director of Finance
F. William Furches, Jr.	Tax Administration/Collector
Sandra F. Gregory	Director of Human Services
Lynn S. Niblock	Director of Development Services
Jane Hinson	Director of Health
Yvette Smith	Director of Social Services

FINANCIAL SECTION

This page left blank intentionally.

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Iredell County
Statesville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iredell County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iredell County, North Carolina, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iredell County's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2019 on our consideration of Iredell 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 Iredell 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 Iredell 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 23, 2019

Iredell County, North Carolina
Management's Discussion and Analysis
June 30, 2019

As management of Iredell County, North Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements following this narrative.

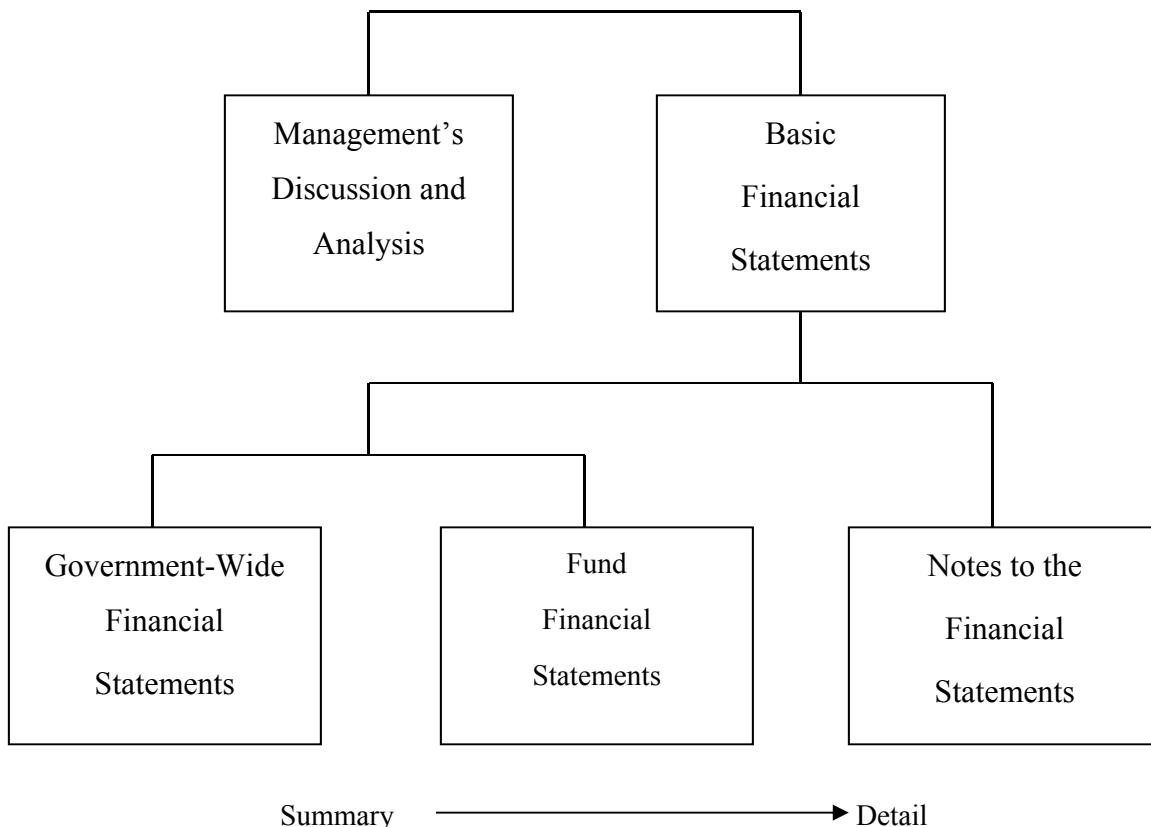
Financial Highlights

- The assets and deferred outflows of resources of Iredell County, North Carolina, exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$353,004,997 (net position).
- The government's total net position increased by \$27,279,366, primarily due to increased net position in the Governmental Activities funds.
- As of the close of the current fiscal year, Iredell County's governmental funds reported a combined ending fund balance of \$157,189,369, an increase of \$18,381,118 in comparison with the prior year. The Fund Balance in the General Fund increased \$13,942,485. The 2018 ISS GO Middle School Project Fund increased by \$27,629,501. Nonmajor Funds decreased \$23,190,868. The total amount of the increase in the General Fund, \$13,942,485, resulted in an overall increase of \$10,004,903 in the amount available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$84,537,553 or 43.98%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- The County made transfers of \$592,594 into the Jail Expansion Project Fund for the construction of a jail complex increasing the total project budget to \$29,542,835.
- The County made a \$457,000 transfer from the General Fund to the Facilities Improvement Fund to maintain facility improvements at current County buildings.
- The County issued debt in the amount of \$43,980,000 to construct two Iredell Statesville Middle Schools. Construction began on Third Creek Middle School as well as Wodland Heights Middle School in fiscal year 2019.
- Iredell County maintains its Fitch AAA general obligation bond ratings, as well as its AA rating with Standard & Poor's and Aa1 rating with Moody's Investors Service.

Overview of the Financial Statements

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

Required Components of Annual Financial Report



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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. **Required supplemental information** is reported immediately after the notes. This section contains funding information about the County's pension plan. The next section is **supplemental information** provided to show details about the County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the NC General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The Iredell County Industrial Facility and Pollution Control Financing Authority is a component unit of the County; however, it has no reportable financial transactions or account balances and is not included in the government-wide statements. The governmental activities include most of the County's basic services such as public safety, human services, parks and recreation, and general administration. Property taxes and Federal State grant funds finance most of these activities. There are two business-type activities provided by the County. Landfill services, for which customers are charged and EMS Special Services which provide convalescent ambulance transports.

Exhibits A and B of this report are the government-wide financial statements.

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. The 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 Iredell County can be divided into two categories: governmental funds and proprietary funds.

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

Iredell County, North Carolina, 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 adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The County has two kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste landfill operations and convalescent ambulance transports. These funds are the same as the functions separate activity 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 Iredell County, North Carolina. The County uses an internal service fund to account for three activities – the Self-Insured Employee Healthcare Benefits Fund, the Self-Insured Property and Liability Fund, and Self-Insured Workers' Compensation Benefits Fund. Because these activities 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. Iredell County, North Carolina, has twelve fiduciary funds all of which are agency 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 on page 42 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Iredell County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 95 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of Iredell County exceeded liabilities by \$353,004,997 as of June 30, 2019.

One of the largest components of net position \$247,353,195 (70.07%) reflects the County's net investment in capital assets (e.g. land, buildings, equipment, and vehicles), less any related debt still outstanding that was used to acquire those items. Iredell County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Iredell County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

Iredell County, North Carolina's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 183,428,215	\$ 161,950,506	\$ 38,379,323	\$ 34,548,030	\$ 221,807,538	\$ 196,498,536
Pension asset	336,300	347,218	-	-	336,300	347,218
Capital assets	415,080,101	382,515,138	25,596,112	25,712,015	440,676,213	408,227,153
Total assets	<u>598,844,616</u>	<u>544,812,862</u>	<u>63,975,435</u>	<u>60,260,045</u>	<u>662,820,051</u>	<u>605,072,907</u>
Total deferred outflows of resources	<u>18,345,972</u>	<u>12,960,041</u>	<u>804,472</u>	<u>674,575</u>	<u>19,150,444</u>	<u>13,634,616</u>
Long-term liabilities outstanding	266,116,956	235,958,871	12,422,096	12,068,039	278,539,052	248,026,910
Other liabilities	47,057,980	40,920,910	815,604	714,433	47,873,584	41,635,343
Total liabilities	<u>313,174,936</u>	<u>276,879,781</u>	<u>13,237,700</u>	<u>12,782,472</u>	<u>326,412,636</u>	<u>289,662,253</u>
Total deferred inflows of resources	<u>2,446,171</u>	<u>3,232,821</u>	<u>106,691</u>	<u>86,818</u>	<u>2,552,862</u>	<u>3,319,639</u>
Net position:						
Net investment in capital assets	224,240,983	190,105,841	23,112,212	23,103,132	247,353,195	213,208,973
Restricted	47,105,284	36,456,038	-	-	47,105,284	36,456,038
Unrestricted	30,223,214	51,098,422	28,323,304	24,962,198	58,546,518	76,060,620
Total net position	<u>\$ 301,569,481</u>	<u>\$ 277,660,301</u>	<u>\$ 51,435,516</u>	<u>\$ 48,065,330</u>	<u>\$ 353,004,997</u>	<u>\$ 325,725,631</u>

An additional portion of Iredell County's net position \$47,105,284 (13.34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$58,546,518 (16.59%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Iredell County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business type-activities. The same situation was true for the prior fiscal year.

Of the \$10,649,246 net increase in restricted net position reported for Iredell County's governmental activities, \$7,970,621 represents State statue requirements, \$1,336,690 for Health and DSS, \$748,135 for Public Safety, \$72,277 for restricted revenue for Register of Deeds, \$2,163 for Cultural and Recreation and restrictions related to cash balances on deposit with the County's bond trustee increased by \$731,409. Restrictions related to School Capital decreased by \$184,987 and restrictions related to Register of Deeds' pension plan also decreased \$27,061.

The County's net position increased by \$27,279,366 for the fiscal year ended June 30, 2019. This increase represents the degree to which increases in ongoing revenues have surpassed similar increases in ongoing expenses.

Governmental Activities. Governmental activities increased Iredell County's net position by \$23,909,180, thereby accounting for 87.65% of the total growth in the net position of Iredell County. Key elements of this increase are as follows:

Iredell County, North Carolina's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 21,014,558	\$ 19,082,908	\$ 11,745,393	\$ 10,896,539	\$ 32,759,951	\$ 29,979,447
Operating grants and contributions	17,001,633	14,767,388	19,070	20,399	17,020,703	14,787,787
Capital grants and contributions	1,829,230	3,597,333	-	-	1,829,230	3,597,333
General revenues:						
Property taxes	134,653,880	130,405,434	-	-	134,653,880	130,405,434
Local option sales taxes	38,369,142	35,644,068	-	-	38,369,142	35,644,068
Other taxes	5,013,052	3,934,141	-	-	5,013,052	3,934,141
Grants and contributions not restricted to specific programs	822,087	812,637	-	-	822,087	812,637
Other	5,255,821	3,408,291	850,387	443,559	6,106,208	3,851,850
Total revenues	<u>223,959,403</u>	<u>211,652,200</u>	<u>12,614,850</u>	<u>11,360,497</u>	<u>236,574,253</u>	<u>223,012,697</u>
Expenses:						
General government	18,364,690	11,647,951	-	-	18,364,690	11,647,951
Public safety	52,217,269	59,121,107	-	-	52,217,269	59,121,107
Transportation	2,349,219	2,242,871	-	-	2,349,219	2,242,871
Economic & physical development	4,151,248	4,237,604	-	-	4,151,248	4,237,604
Human services	29,648,110	29,231,744	-	-	29,648,110	29,231,744
Cultural and recreation	5,523,235	4,968,009	-	-	5,523,235	4,968,009
Education	80,331,610	76,076,168	-	-	80,331,610	76,076,168
Interest on long-term debt	7,588,695	6,394,205	-	-	7,588,695	6,394,205
Landfill	-	-	7,837,592	7,005,143	7,837,592	7,005,143
EMS Special Services	-	-	1,283,219	1,112,188	1,283,219	1,112,188
Total expenses	<u>200,174,076</u>	<u>193,919,659</u>	<u>9,120,811</u>	<u>8,117,331</u>	<u>209,294,887</u>	<u>202,036,990</u>
Increase in net position before transfers and special items	23,785,327	17,732,541	3,494,039	3,243,166	27,279,366	20,975,707
Transfers	123,853	122,707	(123,853)	(122,707)	-	-
Special items	-	-	-	-	-	-
Increase in net position after transfers and special items	23,909,180	17,855,248	3,370,186	3,120,459	27,279,366	20,975,707
Net position, beginning, previously stated	277,660,301	270,038,616	48,065,330	45,404,692	325,725,631	315,443,308
Restatement	-	(10,233,563)	-	(459,821)	-	(10,693,384)
Net position, July 1, restated	<u>277,660,301</u>	<u>259,805,053</u>	<u>48,065,330</u>	<u>44,944,871</u>	<u>325,725,631</u>	<u>304,749,924</u>
Net position, June 30	<u>\$ 301,569,481</u>	<u>\$ 277,660,301</u>	<u>\$ 51,435,516</u>	<u>\$ 48,065,330</u>	<u>\$ 353,004,997</u>	<u>\$ 325,725,631</u>

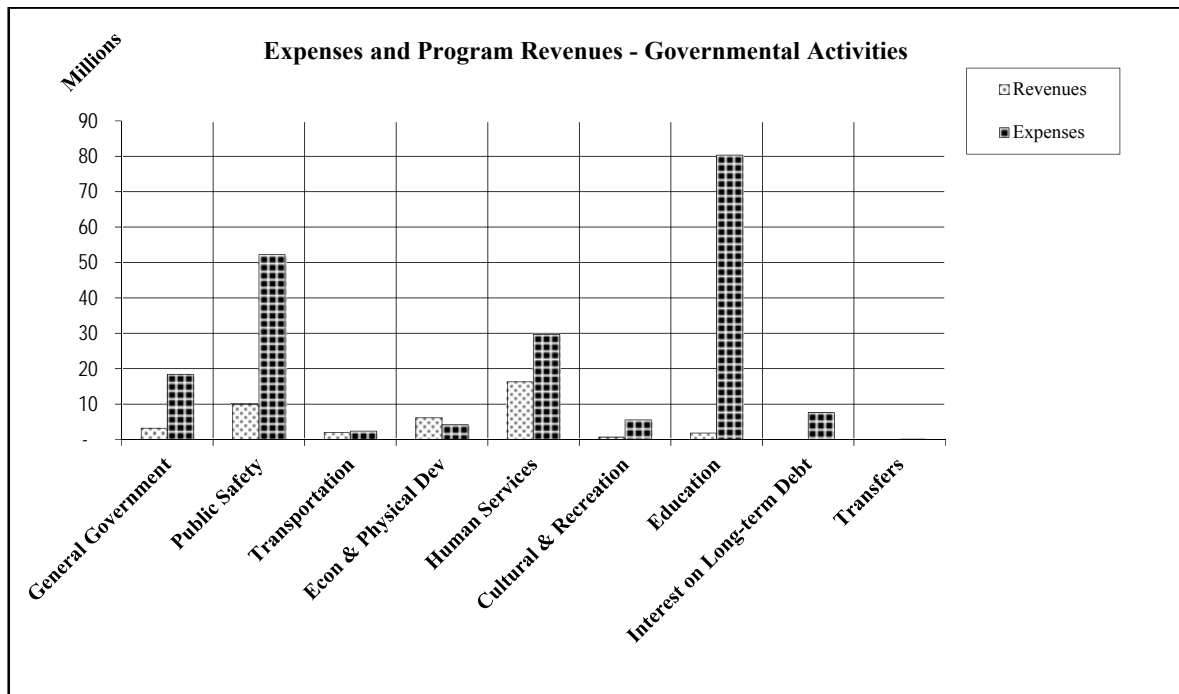
Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position:

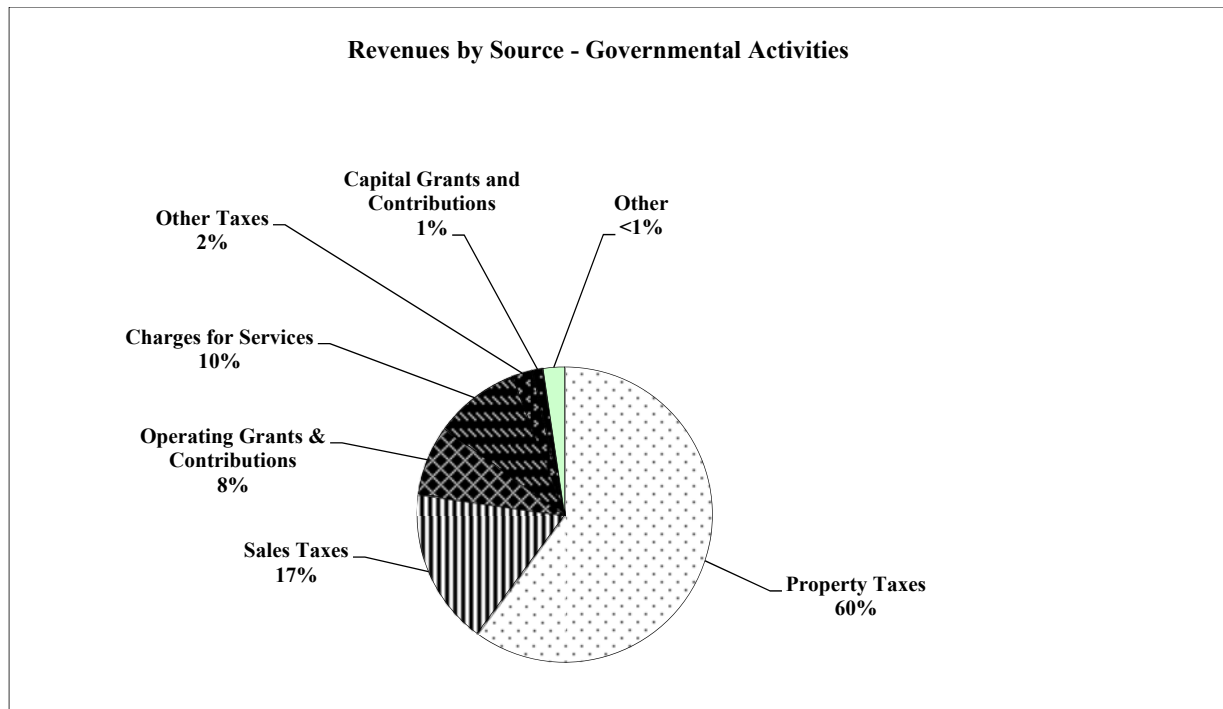
- The total property tax base increased from \$22,691,265,237 for the 2017-18 fiscal year to \$23,462,865,619 at June 30, 2019, a 3.4% increase. This resulted in total receipts for the year of \$134,653,880, an increase of prior year receipts by \$4,248,446 or a 3.26% increase.
- *Increase in the receipt of charges for services and expenses.* The total receipts for the year \$21,014,558 increased from the prior fiscal year by \$1,931,650 or 10.1%. Charges for services in the Public Safety program contributed \$224,657 of the increase. Total permits and fees contributed \$708,860 to this increase as well.
- *Growth in Local Option Sales Taxes.* The total receipts for the year \$38,369,142 exceeded prior fiscal year receipts by \$2,725,074, or a 7.6% increase.
- Continued low cost of debt due to the County's high bond rating

Expenses were closely monitored to keep spending at a minimum while maintaining adequate response to service demands. For the fiscal year ended June 30, 2019, areas of change in the General Fund are as follows:

- Addition of full-time personnel were as follows: 1 – Tax Assessor; 2 – Information Tech; 1 – Facility Services; 7 – Sheriff; 28 - Jail; 1 – Animal Services; 5 – ECOM; 4 – EMS; 1 – Central Permitting; 2 - DSS; 1 – Veterans Services.
- The County's Pay Plan included merit pay of potentially 5.0%, based on performance, available to employees, which added to base pay concurrent with the employee's anniversary date.
- The County's contribution to the Health Care Benefits Fund for each full-time employee remained constant at \$9,925. The total General Fund contribution for Employee Health Care Benefits was \$9,038,931.
- *Increasing total expenses for General Government.* Expenses for General Government departments decreased by \$1,610,674 or 9.29% over the previous year. The County takes a pro-active approach to reduce capital spending and maintain payroll expenses. This year's increase is a combination of the merit increase up to 5% based on employee performance as well as the increase in personnel in various departments.
- *Increasing total expenses for Public Safety.* Expenses for public safety departments increased \$2,360,944, or 6.08%, from the prior year. Salaries and Benefits increased \$2,281,853, or 8.66%, over the previous year. This was a result of seven new positions in the Sheriff's department, one in Animal Services, five in ECOM and four new positions in the Emergency Medical Services department. Operating costs increased \$652,228, or 6.78% over the previous year. The Sheriff's Office is responsible for all law enforcement activities within the non-municipal areas of Iredell County, detention of arrestees awaiting trial and adjudicated criminals sentenced to six months or less, and security of the State courts. The Sheriff's Office handled 15,499 civil and criminal processes, investigated 5,936 crimes, and made 8,447 arrests in the past fiscal year.

- *Increasing Economic and Physical Development expenses.* The economic and physical development departments realized a net increase of \$389,870, or 9.58%. Salaries and Benefits increased \$162,877, or 5.25%, from the prior year. This was a due in part to the addition of one new position in the Central Permitting department. The Building Standards division is currently working to implement a new permitting software which is responsible for a \$161,797 increase in capital expenses.
- *Increasing Human Services expenses.* The human services departments saw a net increase of \$494,815, or 1.7%. Expenses for the Health Department increased 4.15% from the prior year, or \$342,207. Salaries and Benefits showed an increase of \$418,899 as a result a merit increase of up to 5% based on performance. The Department of Social Services remained fairly constant with only a slight increase of \$83,543 in costs. The majority of this increase is reflected in Salaries and Benefits at \$33,362 as a result of one new position and a merit increase of up to 5% based on performance.
- *Increasing Cultural and Recreational expenses.* The cultural and recreational departments saw a net increase of \$1,147,461, or 22.75%. This increase is largely due to the addition of a new Recreation Center in the Parks and Recreation Department. This department realized an increase of \$1,032,823, or 97.71%.
- *Increasing Educational expenses.* Current expense and capital outlay payments to the two individual public school units and the community college increased actual spending by \$5,324,340, or 8.77%. Current expense increased by \$1,529,581, or 3.07%; capital outlay payments increased \$3,794,759, or 35.02%. \$1,034,715 were lottery proceeds for various construction/renovation projects at the local public schools.





Business-Type Activities. This year, the Iredell County Solid Waste Disposal Facility had an increase in net position of \$3,277,237, or a 6.48% increase. During the year, the Solid Waste Disposal Facility reimbursed \$191,978 to Governmental Activities for services provided by Human Resources, Finance, Information Systems Management, Administration, etc. Some of the factors contributing to the increase in net position are as follows:

- Iredell County Solid Waste had a 12.2% increase or \$546,932, in Tipping Fees which is the main source of revenue. Total tons received increased over 21,436 tons with 15,894 tons of that increase being chargeable materials. Recycled materials increased 2,725 tons while no charge materials including household waste increased 2,817 tons.
- A marginal increase of \$75,816 or 1.96% in the Solid Waste Availability Fees assessed to homeowners on their real property.
- Landfill Gas revenue increased \$16,160 in it's second year of a 15 year contract with Iredell Landfill Gas. Iredell County Solid Waste assumed the responsibility of the maintenance, repair and monitoring of the existing landfill gas system which increased expenditures by \$526,424 in fiscal year 2019. This includes a \$396,000 expansion of the gas system.
- Solid Waste capital outlay increased \$995,872 mainly due to the purchase of a landfill compactor.
- The Solid Waste Capital Project Fund has increased \$8,375,534 for the construction of Phase VI. This project will begin in fiscal year 2020 with an expected completion date of October 2020.

This year the Iredell County EMS Special Services Fund had an invcrease in net position of \$92,949, or a 5.19% increase. During the year, the EMS Special Services Fund reimbursed \$120,293 Governmental Activities for services provided by Human Resources, Finance, Information Systems Management, Administration, Emergency Communications Department, etc.

- During the first six months of operations, in fiscal year 2011-2012 a transfer was made from the General Fund for \$500,000. Since inception, the fund has reimbursed the entire start-up loan from the General Fund for \$500,000 while successfully building a net position of \$1,883,763.
- The fund has made a 20 year commitment of a \$125,000 per year transfer to the Public Safety Complex Capital Fund and is in its fourth year. This complex houses the EMS Specialty Services Division.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Iredell County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The County's major governmental funds include the General Fund and the 2018 ISS GO Middle School Project Fund. The remaining governmental funds are considered non-major.

The General Fund is the chief operating fund of Iredell County. At the end of the current fiscal year, Iredell County's fund balance available for appropriation in the General Fund was \$84,537,553, while the total fund balance reached \$112,557,952. As a measure of the General Fund's liquidity, it may be useful to compare both fund balance available for appropriation and total fund balance to total fund expenditures and transfers out. Fund balance available for appropriation represents 44.0% of total General Fund expenditures and transfers out, while total fund balance represents 58.6% of that same amount.

At June 30, 2019, the governmental funds of Iredell County, North Carolina, reported a combined fund balance of \$157,189,369, increasing the prior year's combined fund balance by \$18,381,118, or 13.2%. There was an increase of \$41,571,986 for the General Fund and 2018 ISS GO Middle School Project Funds. A decrease of \$23,190,868 was realized in the Non-Major Governmental Funds and when combined with increases accounts for the net increase in the fund balance. The \$13,942,485 fund balance increase in the General Fund includes an increase in the amount of Ad Valorem Taxes in the amount of \$4,118,035 and Local Option Sales Taxes of \$3,803,985. Furthermore, there was an increase in Permits and Fees of \$708,860 as well as an increase in sales and services of \$1,227,744. Actual revenues of the General Fund were approximately \$5,503,790 greater than budgeted and actual expenditures, adjusting for encumbrances, were \$6,221,533 million less than the budgeted amounts. Transfers out to capital project funds represent \$1,244,697 resulting in the net increase.

Non-spendable items as well as restrictions by State statute represent \$28,020,399 or 24.9% of the total fund balance. Other restrictions are represented by the following: Register of Deeds \$488,427, Public Safety \$1,44,593, Debt Service \$1,584,380, Human Services \$6,381,259 and Cultural and Recreational of \$72,401.

Fund balance in the 2018 ISS GO Middle School Project realized an increase of \$27,629,501. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The most significant reason for this year's increase is the debt issuance of \$43,980,000 for the construction cost of this project.

Fund Balance in Nonmajor Governmental Funds decreased by \$23,190,868 for the fiscal year. A combination of increases in Special Revenue Funds of \$457,932 and a decrease in the nonmajor Capital Project Funds of \$23,648,800 accounted for this change. The Jail project had a decrease in fund balance of \$12,380,139 due to construction costs as it nears completion. Other major capital project funds that saw a significant decrease in fund balance were the Public Safety Complex project with a decrease of \$4,643,414 and the Mitchell Community College Health Science Building project with a decrease of \$3,813,152. The Future Facilities Capital Project Fund realized a decrease in fund balance of \$1,229,522 as a result of major property improvements. Some major highlights of nonmajor governmental funds include the Fire District Fund, which realized a net increase of \$581,345. Fire tax revenues increased \$308,593, while expenditures decreased \$1,294,219 mainly due to a one time payment to Trinity Fire Department towards the construction of a new building in the prior year. The Transportation Services Fund realized a net decrease of \$121,650.

Limitations on the use of fund resources in the nonmajor governmental funds include restrictions by State statute represent \$5,803,387. Other restrictions are for Public Safety in the amount of \$1,556,502 and unspent debt proceeds for School Capital of \$7,993,513.

Additional information on the County's limitations on the use of funds can be found in Note 1E beginning on page 51 of the Basic Financial Statements.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. There were amendments to the originally adopted budget totaling \$14,948,339 bringing the final budget to \$220,070,458. Those changes are summarized as follows:

- General government budgeted expenditures realized a net increase of \$2,158,278. A major portion of the increase, \$2,797,575, resulted from appropriations for services and supplies ordered in fiscal year 2017-18, but not performed or delivered until fiscal year 2018-19. Pay performance merit increases transferred from the General Governmental Department to other departments totaled \$1,325,323. A transfer of \$167,000 was made to the Facility Services department for the purchase of a new building at the fairgrounds.
- Large capital purchases were budgeted in a transfer line this year and then moved to the appropriate department as purchases were made. This resulted in \$309,491 being transferred to the Library Building for renovation and gas mitigation in the basement. A transfer of \$32,905 was made to the Information Technology Department for an ongoing Voice Over IP telephone project. For Pre-Construction design work, \$49,950 was transferred to the Government Center South Building budget for renovation of space in order for the Sheriff's office to relocate.
- Public Safety budgeted expenditures increased \$3,983,688. Of this increase, \$1,569,907 resulted from appropriations for services and supplies ordered in fiscal year 2017-18, but not performed or delivered until this fiscal year. Pay performance merit increases were \$501,241. Federal and State grants were recognized in the amount of \$399,238. A Justice Assistance Grant award totaled \$16,406 for the purchase of a canine and ballistic shields. Federal Equity money of \$360,832 was appropriated for the purchase of an armored vehicle and radio equipment. \$604,500 of the funds set aside for the operation of the new jail were appropriated for contracted outside confinement of Iredell County inmates.

- Large capital purchases were budgeted in a transfer line this year and then moved to the appropriate department as purchases were made. This resulted in \$754,468 to the Emergency Medical Services Department for the purchase of four ambulances and \$7,000 to the Office of Emergency Management for the repair of a vehicle.
- Economic and Physical Development budgeted expenditures increased \$702,058. Of this net increase, \$327,225 resulted from appropriations for services and supplies ordered in fiscal year 2017-18, but not performed or delivered until this fiscal year. Pay performance merit increases totaled \$87,833. \$287,000 was transferred to the Inspections Department for the purchase of a new permitting software.
- Human Services budgeted expenditures increased \$1,447,276. Of this increase, \$727,170 resulted from appropriations for services and supplies ordered in fiscal year 2017-18, but not performed or delivered until this fiscal year. Pay performance merit increases totaled \$483,988. Federal and State grants were recognized in the amount of \$140,497 for the Health Department including an \$85,973 Opioid Crisis grant.
- Large capital purchases were budgeted in a transfer line this year and then moved to the appropriate department as purchases were made. This resulted in \$79,061 being transferred to the Department of Social Services for renovations at the Government Center South Location for their expansion to Mooresville.
- Cultural and recreational budgeted expenditures increased \$1,314,603. Of this increase, \$882,908 resulted from appropriations for services and supplies ordered in fiscal year 2017-18, but not performed or delivered until this fiscal year. Pay performance merit increases totaled \$52,560. In the Parks and Recreation Department, \$187,000 of additional fees were appropriated for the purchase and operation of a new Recreation Center Facility. A capital lease in the amount of \$102,021 was recognized for leased cardio equipment to be used in the new recreational facility. A \$19,377 contingency appropriation was made to the Parks and Recreation Department for damaged equipment.
- Educational budgeted expenditures increased \$4,963,561. Of this increase, \$3,018,041 resulted from capital outlay appropriations for fiscal year 2017-18 carried over to the 2018-19 fiscal year. Lottery proceeds provided additional funding for Iredell-Statesville Schools in the amount of \$1,034,726.
- Transfer budgeted expenditures increased \$624,594, with \$592,594 going to a Jail Capital Project, and \$32,000 going to the Facility Improvement Fund for drainage work at the Government Center Complex.

Revenues for the fiscal year were \$5,503,790 over the amount budgeted. A positive variance was seen in Ad Valorem Taxes exceeding budget by \$1,568,966 due to greater than anticipated growth in valuation. A positive variance of \$1,096,056 was seen in Local Option Sales Taxes as spending continues to trend upward. A negative variance of \$(1,114,561) resulted in Intergovernmental Revenues due to a decrease in grants for the Department of Social Services and the Health Department. Other positive variances were in Permits and Fees, \$983,982 due to an increase in building permits. A payment for Medicaid Hold Harmless was received from the State in the amount of \$2,326,949. Sales and Services also recognized a marginal positive variance of \$784,484 due largely to an increase in Health Service Fees. A positive variance of \$1,486,071 was seen in investment earnings.

Actual expenditures were \$21,806,654 less than budget. Of this amount, \$13,500,446 represents encumbrances that are reserved in Fund Balance and will be paid for in the subsequent fiscal year. Total Salaries and Benefits were \$6,699,445 less than budget, which resulted from unfilled positions. Of the total amount budgeted for Adult Special Assistance, \$372,096 remained unspent at June 30 as well as \$742,449 in other programs in the Social Services Department. The Sheriff and Jail department realized unspent funds of \$3,235,832.

Proprietary Funds. Iredell 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 Solid Waste Disposal Enterprise Fund at the end of the fiscal year amounted to \$26,664,135 and \$1,659,169 in the EMS Special Services Fund.

Capital Asset and Debt Administration

Capital Assets. Iredell County's capital assets for its governmental and business-type activities as of June 30, 2019 totals \$440,676,213 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles. During the fiscal year, the County -

- Purchased new equipment for Governmental and Business-Type activity departments.
- Purchased new vehicles for the Sheriff's Department.
- Continued construction of multi-year capital projects.

Iredell County Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,736,702	\$ 2,591,846	\$ 11,405,275	\$ 11,405,275	\$ 14,141,977	\$ 13,997,121
Land improvements	1,788,854	1,846,331	8,731,730	9,064,791	10,520,584	10,911,122
Buildings and system	288,239,790	300,254,326	1,463,107	1,630,398	289,702,897	301,884,724
Equipment	6,553,950	5,824,928	3,509,613	3,077,818	10,063,563	8,902,746
Vehicles and motorized equipment	4,805,992	4,177,351	486,387	533,733	5,292,379	4,711,084
Construction in progress	110,954,813	67,820,356	-	-	110,954,813	67,820,356
Total	\$ 415,080,101	\$ 382,515,138	\$ 25,596,112	\$ 25,712,015	\$ 440,676,213	\$ 408,227,153

Additional information on the County's capital assets can be found in Note 2A beginning on page 58 of the Basic Financial Statements.

Long-Term Debt. As of June 30, 2019, Iredell County, North Carolina, had total bonded debt outstanding of \$134,915,000, all of which is debt backed by the full faith and credit of the County.

Iredell County, North Carolina's Outstanding Debt General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 134,915,000	\$ 97,270,000	\$ -	\$ -	\$ 134,915,000	\$ 97,270,000

As of June 30, 2019, Iredell County, North Carolina, had total direct placement installment purchase contract of \$90,763,048.

**Iredell County, North Carolina's Outstanding Debt
Installment Purchases**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Direct placement -						
Installment Purchases	\$ 88,731,848	\$ 101,315,964	\$ 2,031,200	\$ 2,263,200	\$ 90,763,048	\$ 103,579,164

As mentioned in the financial highlights section of this document, Iredell County, North Carolina, maintains its Fitch AAA general obligation bond ratings, as well as its AA rating with Standard & Poor's and Aa1 rating with Moody's Investors Service. These bond ratings are clear indications of the sound financial condition of the 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 to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the County is \$1,652,265,248.

Additional information regarding the County's long-term debt can be found in Note 2B beginning on page 83 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- There has been an estimated \$130 million in Economic Development announced in this fiscal year. This announcement includes over one million square feet of new construction and the creation of over 400 jobs in Iredell County.
- An average per capita assessed valuation in excess of \$133,138.
- A large diverse tax base with only 5.56% of assessed value attributed to the top ten taxpayers in the County.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Iredell County, North Carolina, is seeing increases in economic resources this fiscal year. Unemployment within the County is a large indicator of economic conditions. The unemployment rate increased slightly to 4.10% for the month of June 2019. Iredell County's unemployment rate was less than or equal to three of its contiguous counties at June 30, 2019 with Alexander and Lincoln counties reporting lower rates, and Mecklenburg County reporting the same rate. The rates are as follows: Alexander County at 4.0%, Catawba County at 4.2%, Lincoln County at 4.0%, Mecklenburg County at 4.1%, Rowan County at 4.5% and Wilkes County at 4.8%.

Reappraisal of real property within the County, effective January 1, 2019, provides a good indicator of the County and the budget as a whole. The southern end of the County has had a general resurgence in development and is experiencing the associated increases in property tax. The northern part of the County continues to see slow development with little overall growth in the tax base. The 2019-20 budget is based on an overall increase in the tax base of 10.81% from fiscal year 2019, with an estimated assessed valuation of \$25,678,684,000. Real property, net of deferred taxes, is estimated to increase \$2.328 billion, or 12.40% to \$21.099 billion. Motor Vehicles and other Taxable Personal Property is expected to increase \$200

million totaling \$4,119,684,000, which is an increase of 5.12% from 2019. In addition, Public Service Companies reflect a decrease of \$3 million to a total of \$430 million. Discoveries, penalties and releases are expected to be \$30 million. The tax rate for the County remained the same at \$.5275 per hundred dollars of value. Total current and delinquent tax collections of \$136,514 million are budgeted for 2020. The tax collection rate has increased from 98.85% for 2019 to 98.91% for 2020. The one-cent, point-of-delivery local option sales tax, authorized under Article 36 of Chapter 105 of the NC General Statutes, is budgeted at \$21.8 million, which is a slight increase over last year's budget and 4.5% more than the estimated collections for 2019. Sales taxes authorized under Articles 40 and 42 are budgeted at \$20.8 million and 5.4% more than the estimated collections for 2019.

Restricted Intergovernmental revenues are budgeted at \$14,648,513 for 2020. Primarily federal and State grants, these revenues are expected to increase 5.6% compared to 2019. A 17% increase is budgeted for Social Services programs while the grants for the County Health Department remain constant with few changes. Total revenues from permits and fees and sales and services are budgeted approximately 11% higher than budget and 7% higher than actual for fiscal year 2019. This is due primarily to increased collections from development activities such as building permits, planning and erosion control fees, septic tank and well permits, in addition to Register of Deeds recording fees. These fees are all driven by development which is expected to continue into 2020.

Total budgeted expenditures and transfers to other funds in the General Fund are increasing 8.55% for a total of \$222,655,992 in fiscal year 2020. The 2020 budget includes funding for employee performance increases, up to 3% of annual salary as well as an across the board increase of 2% at July 1, 2020. Twenty-three new positions were approved including a Janitor Day Porter, a Grounds Specialist, one Carpenter, seven School Resource Officers, two Deputies, one ACE Officer, one Lake Deputy in the Sheriff's Office, one Veterinary Technician, one Building Code Inspector, five Income Maintenance Case Workers and two Social Workers.

For fiscal year 2020, County funding to support public schools, the community college, and the retirement of debt issued, or to be issued for educational facilities, is budgeted for \$103,741,884 or 46.59% of the total General Fund expenditures. This is an increase of \$8,015,862 or 8.37% over fiscal year 2019 budget. The increase in Current Expense funding to the public schools is \$1,988,033, resulting from 244 new students and a 3% per-pupil increase from \$1,625 in 2019 to \$1,675 for 2020. Appropriations for school capital outlay, debt service, and educational debt service reserve are increasing \$6.5 million due to the formula for appropriating school capital based on the value of each 1¢ of ad valorem tax and the increase in sales taxes designated for school capital. Budgeted Current Expense for Mitchell Community College increased by 4.11%, or \$142,133, to \$3,600,364 for fiscal year 2020 and Capital Outlay and Debt Service appropriations for MCC increased 37.2% to \$2,522,531. This year a new designation for school safety and security was created which is providing an additional \$2,539,879 to the public schools and \$761,964 to Mitchell Community College.

Business-Type Activities: Solid Waste total revenues are budgeted at \$11,546,128, or a 22.5% increase over 2019 when you exclude a Fund Balance Appropriation made in 2019 for the construction of a new cell. The Solid Waste Availability Fee increase from \$52.00 to \$56.00 per year will generate additional revenues of over \$450,000 and an increase in the tipping fee for chargeable waste from \$35.00 to \$38.00 per ton increases revenues by over \$500,000 as well. Methane Gas Rights revenue will provide \$270,000. while other projected revenues remained constant for FY2020. State grants and sales of recycled materials are anticipated to remain steady. However, the revenues will provide for personnel, operating costs, debt service, and capital expenditures, as well as add to retained earnings for future lined landfill construction.

EMS Specialty Services Convalescent Transport Fees are projected to remain steady at \$1,411,843 as this business continues to grow in its eighth year of operations. These revenues provide for personnel, operating

costs, and capital expenditures totaling \$1,286,843, and will set aside \$125,000 contribution to the construction of the Public Safety Complex. EMS Specialty Services has committed to a 20 year payment of \$125,000 each year for a total of \$3,200,000 for this project. 2019-2020 represents the fifth payment.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Iredell County, 200 South Center Street, Statesville, North Carolina 28677.

BASIC FINANCIAL STATEMENTS

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 118,352,194	\$ 27,815,576	\$ 146,167,770
Receivables, net	18,864,114	1,414,055	20,278,169
Note receivable	573,000	-	573,000
Prepaid items and other assets	125,483	5,670	131,153
Restricted cash and cash equivalents	45,513,424	9,144,022	54,657,446
Total current assets	183,428,215	38,379,323	221,807,538
Non-current assets:			
Net pension asset	336,300	-	336,300
Capital assets:			
Land, improvements, and construction in progress	113,691,515	11,405,275	125,096,790
Other capital assets, net of depreciation	301,388,586	14,190,837	315,579,423
Total capital assets	415,080,101	25,596,112	440,676,213
Total non-current assets	415,416,401	25,596,112	441,012,513
Total assets	598,844,616	63,975,435	662,820,051
Deferred Outflows of Resources:			
Deferred charges	3,495,926	150,227	3,646,153
Pension deferrals	13,299,788	572,652	13,872,440
OPEB deferrals	1,550,258	81,593	1,631,851
Total deferred outflows of resources	18,345,972	804,472	19,150,444
Liabilities:			
Accounts payable and accrued liabilities	17,592,954	389,906	17,982,860
Payable from restricted assets	75,018	-	75,018
Prepaid recreation fees	67,260	-	67,260
Prepaid privilege fees	6,954	-	6,954
Prepaid solid waste fees	-	26	26
Accrued interest payable	1,887,827	8,463	1,896,290
Due within one year	27,427,967	417,209	27,845,176
Total current liabilities	47,057,980	815,604	47,873,584
Long-term liabilities:			
Net pension liability (LGRS)	16,193,766	705,376	16,899,142
Total pension liability (LEOSSA)	5,096,275	-	5,096,275
Total OPEB liability	24,791,033	1,304,791	26,095,824
Due in more than one year	220,035,882	10,411,929	230,447,811
Total long-term liabilities	266,116,956	12,422,096	278,539,052
Total liabilities	313,174,936	13,237,700	326,412,636
Deferred Inflows of Resources:			
Prepaid taxes	311,214	-	311,214
Pension deferrals	612,358	26,554	638,912
OPEB deferrals	1,522,599	80,137	1,602,736
Total deferred inflows of resources	2,446,171	106,691	2,552,862
Net Position:			
Net investment in capital assets	224,240,983	23,112,212	247,353,195
Restricted for:			
Stabilization by state statute	35,166,652	-	35,166,652
Social services	6,381,259	-	6,381,259
Sheriff and animal services	3,002,095	-	3,002,095
Register of Deeds	488,427	-	488,427
Debt service	1,584,380	-	1,584,380
Future recreation expenditures	72,401	-	72,401
Register of Deeds' Pension plan	410,070	-	410,070
Unrestricted	30,223,214	28,323,304	58,546,518
Total net position	\$ 301,569,481	\$ 51,435,516	\$ 353,004,997

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

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 18,363,599	\$ 2,403,450	\$ 765,225	\$ -
Public safety	52,218,067	6,218,106	3,603,645	-
Transportation	2,349,225	1,450,085	517,151	-
Economic and physical development	4,151,261	6,102,504	-	-
Human services	29,648,195	4,327,951	11,954,713	-
Cultural and recreational	5,523,424	512,462	160,899	-
Education	80,331,610	-	-	1,829,230
Interest on long-term debt	7,588,695	-	-	-
Total governmental activities	200,174,076	21,014,558	17,001,633	1,829,230
Business-type activities:				
Solid waste disposal facility	7,837,592	10,277,632	19,070	-
EMS special services	1,283,219	1,467,761	-	-
Total business-type activities	9,120,811	11,745,393	19,070	-
Total primary government	\$ 209,294,887	\$ 32,759,951	\$ 17,020,703	\$ 1,829,230

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

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental activities:			
General government	\$ (15,194,924)	\$ -	\$ (15,194,924)
Public safety	(42,396,316)	-	(42,396,316)
Transportation	(381,989)	-	(381,989)
Economic and physical development	1,951,243	-	1,951,243
Human services	(13,365,531)	-	(13,365,531)
Cultural and recreational	(4,850,063)	-	(4,850,063)
Education	(78,502,380)	-	(78,502,380)
Interest on long-term debt	(7,588,695)	-	(7,588,695)
Total governmental activities	(160,328,655)	-	(160,328,655)
Business-type activities:			
Solid waste disposal facility	-	2,459,110	2,459,110
EMS special services	-	184,542	184,542
Total business-type activities	-	2,643,652	2,643,652
Total primary government	(160,328,655)	2,643,652	(157,685,003)
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	134,653,880	-	134,653,880
Local option sales tax	38,369,142	-	38,369,142
Other taxes	5,013,052	-	5,013,052
Grants and contributions, not restricted to specific programs	822,087	-	822,087
Investment earnings, unrestricted	3,762,778	709,911	4,472,689
Miscellaneous, unrestricted	1,493,043	140,476	1,633,519
Total general revenues	184,113,982	850,387	184,964,369
Transfers	123,853	(123,853)	-
Total general revenues and transfers	184,237,835	726,534	184,964,369
Change in net position	23,909,180	3,370,186	27,279,366
Net Position:			
Beginning of year - July 1	277,660,301	48,065,330	325,725,631
End of year - June 30	\$ 301,569,481	\$ 51,435,516	\$ 353,004,997

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

IREDELL COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2019

	General Fund	2018 ISS GO Middle School Project	Total Nonmajor Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 101,046,214	\$ -	\$ 12,248,690	\$ 113,294,904
Taxes receivable, net	1,595,616	-	91,271	1,686,887
Receivables, net	15,935,991	241,349	995,054	17,172,394
Note receivable	573,000	-	-	573,000
Prepays	99,538	-	-	99,538
Inventory	25,945	-	-	25,945
Restricted cash and cash equivalents	1,659,398	35,860,513	7,993,513	45,513,424
Total assets	<u>\$ 120,935,702</u>	<u>\$ 36,101,862</u>	<u>\$ 21,328,528</u>	<u>\$ 178,366,092</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,212,637	\$ 8,472,361	\$ 4,229,871	\$ 16,914,869
Payable from restricted assets	75,018	-	-	75,018
Prepaid recreation fees	67,260	-	-	67,260
Prepaid privilege license	6,954	-	-	6,954
Total liabilities	<u>4,361,869</u>	<u>8,472,361</u>	<u>4,229,871</u>	<u>17,064,101</u>
Deferred Inflows of Resources	<u>4,015,881</u>	<u>-</u>	<u>96,741</u>	<u>4,112,622</u>
Fund Balances:				
Non-spendable	698,483	-	-	698,483
Restricted:				
Stabilization by state statute	27,321,916	2,041,349	5,803,387	35,166,652
Restricted for social services	6,381,259	-	-	6,381,259
Restricted for sheriff and animal services	1,445,593	-	1,556,502	3,002,095
Restricted for school capital	-	35,860,513	7,993,513	43,854,026
Restricted, Register of Deeds	488,427	-	-	488,427
Restricted, debt service	1,584,380	-	-	1,584,380
Restricted, future recreation expenditures	72,401	-	-	72,401
Committed	-	-	2,637,673	2,637,673
Assigned	25,720,152	-	-	25,720,152
Unassigned	48,845,341	(10,272,361)	(989,159)	37,583,821
Total fund balances	<u>112,557,952</u>	<u>27,629,501</u>	<u>17,001,916</u>	<u>157,189,369</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 120,935,702</u>	<u>\$ 36,101,862</u>	<u>\$ 21,328,528</u>	<u>\$ 178,366,092</u>

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

IREDELL COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Total Governmental Funds
Total fund balances from Page 1 of 2	\$ 157,189,369
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Deferred charges related to advance refundings of debt	3,495,926
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	415,080,101
Internal service funds are used by management to charge the costs of employee healthcare benefits to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the Statement of Net Position.	4,384,038
Net pension asset	336,300
Net pension liability - LGERS	(16,193,766)
Total pension liability - LEOSSA	(5,096,275)
Total OPEB liability	(24,791,033)
Deferred outflows of resources related to pensions are not reported in the funds.	13,299,788
Deferred outflows of resources related to OPEB are not reported in the funds.	1,550,258
Some liabilities, including bonds payable, compensated absences and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(249,351,676)
Deferred inflows of resources for taxes receivable and ambulance receivables	3,801,408
Deferred inflows of resources related to pensions are not reported in the funds.	(612,358)
Deferred inflows of resources related to OPEB are not reported in the funds.	(1,522,599)
Net position of governmental activities	<u>\$ 301,569,481</u>

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

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	2018 ISS GO Middle School Project	Total Nonmajor Funds	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 124,920,089	\$ -	\$ 9,567,995	\$ 134,488,084
Other taxes and licenses	43,382,194	-	-	43,382,194
Unrestricted intergovernmental	822,087	-	-	822,087
Restricted intergovernmental	14,311,359	-	3,724,784	18,036,143
Permits and fees	7,829,226	-	-	7,829,226
Contributions	-	-	794,515	794,515
Sales and services	11,728,124	-	1,450,085	13,178,209
Investment earnings	2,399,571	713,768	556,095	3,669,434
Miscellaneous	761,052	241,349	490,642	1,493,043
Total revenues	<u>206,153,702</u>	<u>955,117</u>	<u>16,584,116</u>	<u>223,692,935</u>
Expenditures:				
Current:				
General government	15,717,597	-	1,530,321	17,247,918
Public safety	41,161,939	-	31,079,281	72,241,220
Transportation	-	-	2,124,629	2,124,629
Economic and physical development	4,459,450	-	-	4,459,450
Human services	29,508,793	-	-	29,508,793
Cultural and recreational	6,191,701	-	8,358	6,200,059
Intergovernmental:				
Education	66,017,716	20,554,616	6,425,445	92,997,777
Debt service:				
Principal repayments	21,145,676	-	-	21,145,676
Interest and other charges	8,896,993	-	-	8,896,993
Total expenditures	<u>193,099,865</u>	<u>20,554,616</u>	<u>41,168,034</u>	<u>254,822,515</u>
Revenues over (under) expenditures	<u>13,053,837</u>	<u>(19,599,499)</u>	<u>(24,583,918)</u>	<u>(31,129,580)</u>
Other Financing Sources (Uses):				
General obligation bonds issued	-	43,980,000	-	43,980,000
Debt issuance premium	-	3,249,000	-	3,249,000
Installment purchase obligations issued	2,050,000	-	-	2,050,000
Capital lease obligations issued	107,845	-	-	107,845
Transfers in	-	-	1,394,197	1,394,197
Transfers (out)	(1,269,197)	-	(1,147)	(1,270,344)
Total other financing sources (uses)	<u>888,648</u>	<u>47,229,000</u>	<u>1,393,050</u>	<u>49,510,698</u>
Net change in fund balances	13,942,485	27,629,501	(23,190,868)	18,381,118
Fund Balances:				
Beginning of year - July 1	<u>98,615,467</u>	<u>-</u>	<u>40,192,784</u>	<u>138,808,251</u>
End of year - June 30	<u>\$ 112,557,952</u>	<u>\$ 27,629,501</u>	<u>\$ 17,001,916</u>	<u>\$ 157,189,369</u>

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

IREDELL 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, 2019**

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 18,381,118
Governmental funds report capital outlays and expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
Capital outlay	49,502,987
Depreciation	(16,938,024)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	336,816
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has an effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
New debt	(46,137,845)
New premium	(3,249,000)
Principal	21,145,676
Amortization and accrued interest	1,308,298
Net expenditures of internal service funds determined to be governmental-type.	238,404
Pension expense - LEOSSA	27,915
Pension expense - LGERS	(905,235)
Pension expense - ROD	(27,062)
OPEB plan expense	287,725
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	<u>(62,593)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 23,909,180</u>

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

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Over/Under
Revenues:				
Ad valorem taxes	\$ 123,351,123	\$ 123,351,123	\$ 124,920,089	\$ 1,568,966
Other taxes and licenses	41,637,916	41,637,916	43,382,194	1,744,278
Unrestricted intergovernmental	910,000	910,000	822,087	(87,913)
Restricted intergovernmental	14,099,988	15,338,212	14,311,359	(1,026,853)
Permits and fees	6,883,807	6,925,807	7,829,226	903,419
Sales and services	10,672,108	10,943,435	11,728,124	784,689
Investment earnings	708,500	913,500	2,399,571	1,486,071
Miscellaneous	551,919	659,919	761,052	101,133
Total revenues	<u>198,815,361</u>	<u>200,679,912</u>	<u>206,153,702</u>	<u>5,473,790</u>
Expenditures:				
Current:				
General government	19,600,023	21,190,811	15,717,597	5,473,214
Public safety	42,458,163	46,420,117	41,161,939	5,258,178
Economic and physical development	4,134,573	5,017,484	4,459,450	558,034
Human services	31,693,086	33,140,362	29,508,793	3,631,569
Cultural and recreational	5,053,426	6,776,401	6,191,701	584,700
Intergovernmental:				
Education	69,171,792	72,239,249	66,017,716	6,221,533
Debt service:				
Principal retirement	21,020,294	21,814,102	21,145,676	668,426
Interest and other charges	7,652,664	8,976,414	8,896,993	79,421
Total expenditures	<u>200,784,021</u>	<u>215,574,940</u>	<u>193,099,865</u>	<u>22,475,075</u>
Revenues over (under) expenditures	<u>(1,968,660)</u>	<u>(14,895,028)</u>	<u>13,053,837</u>	<u>27,948,865</u>
Other Financing Sources (Uses):				
Fund balance appropriated	3,881,163	16,846,475	-	(16,846,475)
Direct placement installment purchase	2,021,000	2,021,000	2,050,000	29,000
Capital lease obligations issued	-	118,476	107,845	(10,631)
Transfers (out)	(3,933,503)	(4,090,923)	(1,269,197)	2,821,726
Total other financing sources (uses)	<u>1,968,660</u>	<u>14,895,028</u>	<u>888,648</u>	<u>(14,006,380)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>13,942,485</u>	<u>\$ 13,942,485</u>
Fund Balance:				
Beginning of year - July 1			<u>98,615,467</u>	
End of year - June 30			<u>\$ 112,557,952</u>	

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

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Solid Waste Disposal Facility Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 26,357,574	\$ 1,458,002	\$ 27,815,576	\$ 5,057,290
Receivables, net	847,086	566,969	1,414,055	4,833
Prepaid items	5,670	-	5,670	-
Restricted cash and cash equivalents	9,144,022	-	9,144,022	-
Total current assets	36,354,352	2,024,971	38,379,323	5,062,123
Non-current assets:				
Capital assets:				
Land and construction in progress	11,405,275	-	11,405,275	-
Other capital assets, net of depreciation	13,966,243	224,594	14,190,837	-
Total capital assets	25,371,518	224,594	25,596,112	-
Total assets	61,725,870	2,249,565	63,975,435	5,062,123
Deferred Outflows of Resources:				
Refunding charge deferrals	150,227	-	150,227	-
OPEB deferrals	65,275	16,318	81,593	-
Pension deferrals	431,130	141,522	572,652	-
Total deferred outflows of resources	646,632	157,840	804,472	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	362,599	27,307	389,906	678,085
Prepaid solid waste fees	26	-	26	-
Accrued interest payable	8,463	-	8,463	-
Compensated absences	114,009	28,990	142,999	-
Direct placement installment notes payable	274,210	-	274,210	-
Total current liabilities	759,307	56,297	815,604	678,085
Non-current liabilities:				
Compensated absences	20,119	5,116	25,235	-
Direct placement installment notes payable	2,059,463	-	2,059,463	-
Total OPEB liability	1,043,833	260,958	1,304,791	-
Net pension liability (LGRS)	546,519	158,857	705,376	-
Accrued landfill closure and post-closure care costs	8,327,231	-	8,327,231	-
Total non-current liabilities	11,997,165	424,931	12,422,096	-
Total liabilities	12,756,472	481,228	13,237,700	678,085
Deferred Inflows of Resources:				
OPEB deferrals	64,110	16,027	80,137	-
Pension deferrals	167	26,387	26,554	-
Total deferred inflows of resources	64,277	42,414	106,691	-
Net Position:				
Net investment in capital assets	22,887,618	224,594	23,112,212	-
Unrestricted	26,664,135	1,659,169	28,323,304	4,384,038
Total net position	\$ 49,551,753	\$ 1,883,763	\$ 51,435,516	\$ 4,384,038

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

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Solid Waste Disposal Facility Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Tipping fees	\$ 5,022,151	\$ -	\$ 5,022,151	\$ -
Availability fees	3,932,285	-	3,932,285	-
Convalescent transport fees	-	1,467,761	1,467,761	-
Tire disposal fees and reimbursements	270,794	-	270,794	-
Mooresville transportation fees	189,476	-	189,476	-
Landfill gas	270,504	-	270,504	-
Recycling sales	130,228	-	130,228	-
NC disposal tax	99,052	-	99,052	-
White goods metal sales	129,490	-	129,490	-
Scrap metal sales	157,663	-	157,663	-
Miscellaneous	75,989	-	75,989	-
Other services	-	-	-	13,426,118
Total operating revenues	<u>10,277,632</u>	<u>1,467,761</u>	<u>11,745,393</u>	<u>13,426,118</u>
Operating Expenses:				
Salaries and employee benefits	2,804,216	784,316	3,588,532	-
Professional services	1,113,765	102,234	1,215,999	-
Maintenance and repairs	750,830	45,406	796,236	-
Operating expense	1,521,736	229,613	1,751,349	-
Depreciation	1,568,107	121,650	1,689,757	-
Other services	-	-	-	13,281,058
Total operating expenses	<u>7,758,654</u>	<u>1,283,219</u>	<u>9,041,873</u>	<u>13,281,058</u>
Net operating income (loss)	<u>2,518,978</u>	<u>184,542</u>	<u>2,703,520</u>	<u>145,060</u>
Non-Operating Revenues (Expenses):				
Investment earnings	678,339	31,572	709,911	93,344
Federal and state grants	19,070	-	19,070	-
Non-operating miscellaneous	138,641	1,835	140,476	-
Interest and other charges	(78,938)	-	(78,938)	-
Total non-operating revenues (expenses)	<u>757,112</u>	<u>33,407</u>	<u>790,519</u>	<u>93,344</u>
Income before transfers	<u>3,276,090</u>	<u>217,949</u>	<u>3,494,039</u>	<u>238,404</u>
Transfers (to) other funds	-	(125,000)	(125,000)	-
Transfers from other funds	<u>1,147</u>	<u>-</u>	<u>1,147</u>	<u>-</u>
Total transfers	<u>1,147</u>	<u>(125,000)</u>	<u>(123,853)</u>	<u>-</u>
Change in net position	3,277,237	92,949	3,370,186	238,404
Net Position:				
Beginning of year - July 1	<u>46,274,516</u>	<u>1,790,814</u>	<u>48,065,330</u>	<u>4,145,634</u>
End of year - June 30	<u>\$ 49,551,753</u>	<u>\$ 1,883,763</u>	<u>\$ 51,435,516</u>	<u>\$ 4,384,038</u>

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

IREDELL COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Solid Waste Disposal Facility Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:				
Cash received from customers	\$ 10,339,936	\$ 1,355,078	\$ 11,695,014	\$ -
Cash received from interfund services	-	-	-	14,202,200
Cash paid for goods and services	(2,799,805)	(366,645)	(3,166,450)	(13,671,847)
Cash paid to employees for services	(2,783,462)	(767,757)	(3,551,219)	-
Net cash provided (used) by operating activities	<u>4,756,669</u>	<u>220,676</u>	<u>4,977,345</u>	<u>530,353</u>
Cash Flows from Non-Capital Financing Activities:				
State and federal grants	19,070	-	19,070	-
Transfer from other funds	1,147	-	1,147	-
Transfers to other funds	-	(125,000)	(125,000)	-
Net cash provided (used) by non-capital financing activities	<u>20,217</u>	<u>(125,000)</u>	<u>(104,783)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,573,853)	-	(1,573,853)	-
Principal retirements	(232,000)	-	(232,000)	-
Interest and other charges	(106,423)	-	(106,423)	-
Net cash provided (used) by capital and related financing activities	<u>(1,912,276)</u>	<u>-</u>	<u>(1,912,276)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Investment earnings	<u>678,339</u>	<u>31,572</u>	<u>709,911</u>	<u>93,344</u>
Net increase (decrease) in cash and cash equivalents	3,542,949	127,248	3,670,197	623,697
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>31,958,647</u>	<u>1,330,754</u>	<u>33,289,401</u>	<u>4,433,593</u>
End of year - June 30	<u>\$ 35,501,596</u>	<u>\$ 1,458,002</u>	<u>\$ 36,959,598</u>	<u>\$ 5,057,290</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Net operating income (loss)	\$ 2,518,978	\$ 184,542	\$ 2,703,520	\$ 145,060
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating activities:				
Depreciation	1,568,107	121,650	1,689,757	-
Non-operating miscellaneous	138,641	1,835	140,476	-
Change in Assets and Liabilities:				
(Increase) decrease in operating accounts receivable	(76,259)	(112,683)	(188,942)	776,082
(Increase) decrease in prepaid items	27,846	-	27,846	-
Increase (decrease) in net pension liability	65,348	65,348	130,696	-
(Increase) decrease in deferred outflows of resources for pensions	(53,545)	(53,545)	(107,090)	-
Increase (decrease) in deferred inflows of resources for pensions	(166)	(2,542)	(2,708)	-
Increase (decrease) in operating accounts payable and accrued liabilities	575,294	8,773	584,067	(390,789)
Increase (decrease) in total OPEB liability	1,420	355	1,775	-
(Increase) decrease in deferred outflows of resources for OPEB	(31,600)	(7,899)	(39,499)	-
Increase (decrease) in deferred inflows of resources for OPEB	18,065	4,516	22,581	-
Increase (decrease) in compensated absences	4,540	10,326	14,866	-
Total adjustments	<u>2,237,691</u>	<u>36,134</u>	<u>2,273,825</u>	<u>385,293</u>
Net cash provided (used) by operating activities	<u>\$ 4,756,669</u>	<u>\$ 220,676</u>	<u>\$ 4,977,345</u>	<u>\$ 530,353</u>

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

IREDELL COUNTY, NORTH CAROLINA**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUND****JUNE 30, 2019**

	Agency Fund
	<hr/>
Assets:	
Cash and cash equivalents	\$ 359,683
Receivables, net	<u>396,505</u>
Total assets	<u>\$ 756,188</u>
 Liabilities:	
Accounts payable and accrued liabilities	\$ 756,188
Total liabilities	<u>\$ 756,188</u>

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

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies

The accounting policies of Iredell County, North Carolina, (the “County”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. Management has considered all potential component units (legally separate entities for which the County is financially accountable) and has determined that there are no component units to be included in the financial statements.

Iredell County Industrial Facility and Pollution Control Financing Authority

Iredell County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a three-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided 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.

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.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

The County reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

2018 ISS GO Middle School Project – This fund is used to account for all construction of the Third Creek and Woodland Heights Middle schools.

The County reports the following major enterprise fund:

Solid Waste Disposal Facility Fund – (see description below)

The County has the following fund categories:

Governmental Funds – Governmental funds account for the County's general governmental activities. Governmental funds include the following fund types:

General Fund – The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Emergency Telephone System Fund, Transportation Services Fund, Fire District Fund, and Juvenile Crime Prevention Grant Fund.

Capital Project Funds – Parks Capital Project Fund, Facilities Improvement Fund, Public Safety Complex project, Jennings Park project, 2016 GO Bonds NIHS/SIHS project, Jail Expansion project, Mooresville High School project, and 2018 GO Bonds MCC project.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Proprietary Funds – include the following fund types:

Solid Waste Disposal Facility Fund – The Solid Waste Disposal Facility Fund is used to account for the County's operation, maintenance, and development of various landfills and disposal sites.

EMS Special Services Fund – The EMS Special Services Fund is used to account for the County's operation of convalescent transports for emergency medical services.

Internal Service Funds – The internal service funds are used to account for the financial activities of the County's self-insured benefit plans for employee healthcare, workers' compensation, and property and liability coverage.

Fiduciary Funds – include the following fund types:

Agency Funds – Agency funds are used to account for assets the County holds as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The County has nine agency funds: the Fines and Forfeitures Fund, which is used to account for monies collected by the Clerk of Court for the benefit of the Boards of Education located within Iredell County; the Sheriff's Agency Fund, which is used to account for monies collected for tax warrants and judgments; the Employee Flex Benefits Account, which is used to account for monies withheld and remitted on behalf of employees; the DSS Guardianships Fund, which is used to account for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Cooperative Extension Agency Fund, which is used to account for monies held by the County on behalf of the Cooperative Extension Agency; the Inspection Bonds Fund, which is used to account for monies collected from developers for work to be performed as required by the Inspections Department; the Municipal Tax Collections Fund, which is used to account for monies collected from ad valorem taxes for the benefit of municipalities located in the County; the Gross Receipts Tax Collections Fund, which is used to account for monies collected from gross receipts taxes for the benefit of municipalities located in the County; and the Register of Deeds Collections Fund, which is used to account for the \$6.20 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.

C. Measurement Focus, Basis of Accounting

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

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

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from 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 Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Sales taxes collected and held by the state at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then 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, special revenue (excluding grant projects) and the enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the special revenue grant funds, capital project funds, and the enterprise capital project funds, which are consolidated with the operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$50,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

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

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, an SEC-registered (2a-7) government money market fund, and the NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Restricted Assets

The restricted cash and cash equivalents of the County consist of the following:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Deposits with bond trustees for subsequent years' principal and interest payments on outstanding debt	\$ 3,451
General Fund	Deposits from developers for inspection bonds	75,018
General Fund	Sinking Fund for the repayment of 2015A QSCB	1,580,929
2018 ISS GO		
Middle School project	Unspent debt proceeds	35,860,513
2018 GO bonds		
MCC project	Unspent debt proceeds	7,993,513
Total		<u>\$ 45,513,424</u>
Business-Type Activities:		
Solid Waste Fund	Escrow funds for closure and post-closure costs	\$ 9,144,022
Total		<u>\$ 9,144,022</u>

Ad Valorem Taxes Receivable. In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018.

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

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Inventory. The inventories of the County are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consist of expendable supplies that are recorded as expenditures as used rather than when purchased.

Capital Assets. Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. Minimum capitalization costs are \$5,000 for individual items or bulk purchases of similar items. 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 Boards of Education properties that are included in the County's 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 Boards of Education give those entities 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 respective entities, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

The County does not own any infrastructure. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives of the individual assets:

<u>Asset</u>	<u>Estimated Years</u>
Buildings	30 to 50
Improvements	25
Furniture and equipment	5 to 10
Vehicles	5

Deferred Outflows/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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this 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 position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, taxes receivable, ambulance receivable, and pension and OPEB related deferrals.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Bond premiums 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 the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, during the current period. The face amount of the debt 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 net proceeds received, are reported as debt service expenditures.

Net Position / Fund Balances

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

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

The governmental fund types classify fund balances as follows:

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.

Inventory – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources. The non-spendable amount related to inventory at June 30, 2019 is \$25,945.

Prepays – portion of fund balance that is not an available resource because it represents the year-end fund balance of prepaids, which are not spendable resources. The non-spendable amount related to prepaids at June 30, 2019 is \$99,538 for the General Fund.

Notes Receivable – portion of fund balance that is not an available resources because it represents long-term receivables, which are not spendable resources. The non-spendable amount related to notes receivable at June 30, 2019 is \$573,000.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

Restricted for social services is the portion of fund balance restricted by revenue source for social services and health purposes.

Restricted for sheriff and animal services represents the aggregate of net position for three special revenue funds: the Juvenile Crime Prevention Grant Fund, the Fire District Fund, and the Emergency Telephone System Fund. It also includes General Fund net position restricted for use of law enforcement from controlled substance tax and federal equity sharing monies. Also, included are private donations for animal control.

Restricted for school capital represents the unspent proceeds of installment financing, restricted to the purpose for which the debt was issued.

Restricted for Register of Deeds is the portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation, but are legally restricted for computer and imaging technology in the Register of Deeds' office.

Restricted for debt service represents amounts on deposit with bond trustees for subsequent years' principal and interest payments on outstanding debt.

Restricted for future recreation expenditures is the portion of fund balance restricted by revenue source for use for parks, libraries, arts, and other related activities.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Restricted fund balance at June 30, 2019 is as follows:

Purpose	General Fund	2018 ISS GO Middle School Project	Other Governmental Funds
Restricted for:			
Stabilization by state statute	\$27,321,916	\$ 2,041,349	\$ 5,803,387
Social services	6,381,259	-	-
Sheriff and animal services	1,445,593	-	1,556,502
School capital	-	35,860,513	7,993,513
Register of Deeds	488,427	-	-
Debt service	1,584,380	-	-
Future recreation expenditures	72,401	-	-
Total	<u>\$37,293,976</u>	<u>\$ 37,901,862</u>	<u>\$ 15,353,402</u>

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds of \$43,854,026 and restricted for Register of Deeds pension plan of \$410,070, for a net difference of \$43,443,956, as of June 30, 2019.

Committed Fund Balance – This classification represents the portion of fund balance that can only be used for 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 is the portion of fund balance committed for facility improvements of government buildings in the other governmental funds. In the General Fund, it represents the amount for tax revaluation.

Committed for culture & recreation is the portion of fund balance committed for future park expansion projects in the County.

Committed for public safety is the portion of fund balance committed for the construction of the public safety complex and a jail complex.

Committed for school capital is the portion of fund balance committed for future construction and improvements of schools.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Committed fund balance at June 30, 2019 is as follows:

<u>Purpose</u>	<u>Other Governmental Funds</u>
Committed:	
General government	\$ 711,242
Culture & recreation	9,584
School capital	760,361
Public safety	1,156,486
Total	<u>\$ 2,637,673</u>

Assigned Fund Balance – This classification represents the portions of fund balance that Iredell County intends to use for specific purposes, but do not meet the criteria to be classified as committed. Assignments of fund balance are generally created by action of the County's governing body, such as the adoption of an annual budget or project ordinance. However, an additional Board action is not required for the removal of an assignment.

Assigned for public safety is the portion of fund balance budgeted by the Board for public safety activities and capital expenditures.

Assigned for school capital is the portion of fund balance available as a result of unexpended ad valorem and sales taxes assigned for school capital outlay.

Assigned for general government portion of fund balance is the portion of fund balance set aside for the County's reappraisal every four years and future technology needs of the County.

Assigned fund balance at June 30, 2019 is as follows:

<u>Purpose</u>	<u>General Fund</u>
Assigned:	
General government	\$ 492,885
Public safety	1,575,737
School capital	23,651,530
Total	<u>\$25,720,152</u>

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

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, state funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from the policy if it is in the best interest of the County or when required by grant or other contractual agreements.

The County has not officially adopted a fund balance policy.

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

Total Fund Balance - General Fund	\$ 112,557,952
Less:	
Prepays	(99,538)
Inventory	(25,945)
Long-term note receivable	(573,000)
Stabilization by state statute	(27,321,916)
Restricted, other	(9,972,060)
Assigned	(25,720,152)
Remaining fund balance	<u><u>\$ 48,845,341</u></u>

Outstanding encumbrances represent amounts needed to pay commitments related to purchase orders and contracts that remain unperformed at year-end.

	General	2018 ISS GO	Other
Purpose	Fund	Middle School	Governmental
		Project	Funds
Encumbrances	<u><u>\$ 13,500,446</u></u>	<u><u>\$ 1,800,000</u></u>	<u><u>\$ 4,808,333</u></u>

F. Revenues, Expenditures, and Expenses

Compensated Absences. The vacation policies of the County provide for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 are recorded in the governmental activities of the government-wide financial statements and in the proprietary funds 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.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Estimates

Significant Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts, depreciation lives, and the closure/post-closure costs of the landfill.

G. Defined Benefit Cost Sharing Pension Plans

The County participates in two cost-sharing, multiple-employer defined benefit pension plans that are administered by the state; the Local Governmental Employees' Retirement System (LGERS), and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered, defined benefit pension plans"). For purposes of measuring the net pension asset 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. Investments for all plans are reported at fair value.

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by their agents 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

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository using the Pooling Method. The County does not have a 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, 2019, the County's deposits had a carrying amount of \$21,769,586 and a bank balance of \$22,734,942. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$21,019,622 was covered by collateral held under the Pooling Method.

At June 30, 2019, the County had \$669,006 of cash on hand.

Investments

As of June 30, 2019, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less Than		
	Measurement Method		6 Months	6-12 Months	1-3 Years
US Bank					
US Treasuries	Fair Value-Level 1	\$ 1,557,475	\$ -	\$ -	\$ 1,557,475
Government Portfolio	Fair Value-Level 1	23,454	N/A	N/A	N/A
First Citizens					
US Treasuries	Fair Value-Level 1	6,187,061	-	-	6,187,061
Federal Home Loan Bank	Fair Value-Level 1	668,038	-	-	668,038
Federal National Mortgage Assoc.	Fair Value-Level 1	1,342,972	-	-	1,342,972
Government Portfolio	Fair Value-Level 1	59,411	N/A	N/A	N/A
NC Capital Management Trust					
Government Portfolio	Fair Value-Level 1	25,859,629	N/A	N/A	N/A
Term Portfolio*	Fair Value-Level 1	143,048,267	143,048,267	-	-
Total		\$ 178,746,307	\$ 143,048,267	\$ -	\$ 9,755,546

*As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits no less than 30% of the total investment portfolio shall mature within 30 days. No less than 75% of the portfolio shall mature in 90 days, and the average maturity of the portfolio shall not exceed one year.

Credit Risk. The County's investments in the US Bank US Treasuries carried a credit rating of Aaa by Moody's as of June 30, 2019. The County's investments in First Citizens US Treasuries, Federal Home Loan Bank, Federal National Mortgage Assoc. and carried a credit rating of Aaa by Moody's as of June 30, 2019. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County has no policy regarding credit risk.

Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed at 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 accrued interest from the original due date. This tax is immediately due and payable. Shown below are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year of Levy</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,683,572	\$ 1,241,147	\$ 5,924,719
2017	4,664,374	746,300	5,410,674
2018	4,650,034	267,377	4,917,411
2019	4,648,535	1,696,715	6,345,250
Total	<u>\$ 13,997,980</u>	<u>\$ 2,254,824</u>	<u>\$ 16,252,804</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Receivables

At June 30, 2019, the County's government-wide receivable balances were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Ambulance Fees</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,111,295	\$ 3,885,447	\$ 2,721,757	\$ 12,644,591	\$ 21,363,090
Other governmental	<u>306,820</u>	<u>341,605</u>	<u>-</u>	<u>-</u>	<u>648,425</u>
Total receivables	2,418,115	4,227,052	2,721,757	12,644,591	22,011,515
Allowance for doubtful accounts	<u>-</u>	<u>(2,540,165)</u>	<u>(607,236)</u>	<u>-</u>	<u>(3,147,401)</u>
Total governmental activities	<u>\$ 2,418,115</u>	<u>\$ 1,686,887</u>	<u>\$ 2,114,521</u>	<u>\$ 12,644,591</u>	<u>\$ 18,864,114</u>
Business-Type Activities:					
Solid waste	\$ 782,904	\$ -	\$ -	\$ 186,661	\$ 969,565
EMS special services	<u>-</u>	<u>-</u>	<u>713,658</u>	<u>-</u>	<u>713,658</u>
Total receivables	782,904	-	713,658	186,661	1,683,223
Allowance for doubtful accounts	<u>(122,479)</u>	<u>-</u>	<u>(146,689)</u>	<u>-</u>	<u>(269,168)</u>
Total business-type activities	<u>\$ 660,425</u>	<u>\$ -</u>	<u>\$ 566,969</u>	<u>\$ 186,661</u>	<u>\$ 1,414,055</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	\$ 10,228,332	\$ -
Sales tax refund	818,299	10,282
Scrap tire	-	63,978
White goods	-	18,501
Other	<u>1,597,960</u>	<u>93,900</u>
Total	<u>\$ 12,644,591</u>	<u>\$ 186,661</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Note Receivable

In December 2012, the County entered into an economic development agreement with South Iredell Community Development Corporation ("SICDC"). The County agreed to contribute \$675,000 to SICDC for park development costs for land that was acquired. The SICDC will pay the County 10% of the final gross sales price of each parcel of land that is sold until such time as the aggregate amount remitted to the County equals \$573,000.

Capital Assets

The following is a summary of the changes in the governmental capital assets for the year ended June 30, 2019.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 2,591,846	\$ 144,856	\$ -	\$ -	\$ 2,736,702
Construction in progress	67,820,356	43,134,457	-	-	110,954,813
Total non-depreciable capital assets	70,412,202	43,279,313	-	-	113,691,515
Depreciable Capital Assets:					
Land improvements	2,444,850	-	-	-	2,444,850
Buildings and improvements	406,713,662	1,702,874	-	-	408,416,536
Equipment	21,451,448	2,604,221	(347,127)	5,879	23,714,421
Vehicles and motor equipment	13,005,177	1,916,579	(360,241)	-	14,561,515
Total depreciable capital assets	443,615,137	6,223,674	(707,368)	5,879	449,137,322
Less Accumulated Depreciation:					
Land improvements	598,519	57,477	-	-	655,996
Buildings and improvements	106,459,336	13,717,410	-	-	120,176,746
Equipment	15,626,520	1,875,199	(347,127)	5,879	17,160,471
Vehicles and motor equipment	8,827,826	1,287,938	(360,241)	-	9,755,523
Total accumulated depreciation	131,512,201	\$ 16,938,024	\$ (707,368)	\$ 5,879	147,748,736
Total depreciable capital assets, net	312,102,936				301,388,586
Governmental activities capital assets, net	\$ 382,515,138				\$ 415,080,101

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

General government	\$ 1,004,599
Public safety	2,333,632
Transportation	247,979
Economic and physical development	187,479
Human services	398,315
Cultural and recreational	252,128
Education	<u>12,513,892</u>
Total depreciation expense	<u>\$ 16,938,024</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-Type Activities:					
Solid Waste Activities					
Non-Depreciable Capital Assets:					
Land	\$ 11,405,275	\$ -	\$ -	\$ -	\$ 11,405,275
Total non-depreciable capital assets	<u>11,405,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,405,275</u>
Depreciable Capital Assets:					
Land improvements	17,199,606	396,052	-	-	17,595,658
Buildings and improvements	6,398,018	59,014	-	-	6,457,032
Equipment	6,314,127	1,012,028	(69,207)	(5,879)	7,251,069
Vehicles and motor equipment	2,260,242	142,506	-	-	2,402,748
Total depreciable capital assets	<u>32,171,993</u>	<u>1,609,600</u>	<u>(69,207)</u>	<u>(5,879)</u>	<u>33,706,507</u>
Less Accumulated Depreciation:					
Land improvements	8,134,815	729,113	-	-	8,863,928
Buildings and improvements	4,767,620	226,305	-	-	4,993,925
Equipment	3,363,813	491,295	(33,461)	(5,879)	3,815,768
Vehicles and motor equipment	1,945,249	121,394	-	-	2,066,643
Total accumulated depreciation	<u>18,211,497</u>	<u>\$ 1,568,107</u>	<u>\$ (33,461)</u>	<u>\$ (5,879)</u>	<u>19,740,264</u>
Total depreciable capital assets, net	<u>13,960,496</u>				<u>13,966,243</u>
Solid waste activities capital assets, net	<u>25,365,771</u>				<u>25,371,518</u>
EMS Special Services Activities					
Depreciable Capital Assets:					
Equipment	402,422	\$ -	\$ -	\$ -	402,422
Vehicles and motor equipment	517,772	-	-	-	517,772
Total depreciable capital assets	<u>920,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>920,194</u>
Less Accumulated Depreciation:					
Equipment	274,918	53,192	-	-	328,110
Vehicles and motor equipment	299,032	68,458	-	-	367,490
Total accumulated depreciation	<u>573,950</u>	<u>\$ 121,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>695,600</u>
Total depreciable capital assets, net	<u>346,244</u>				<u>224,594</u>
EMS special activities capital assets, net	<u>346,244</u>				<u>224,594</u>
Business-type activities capital assets, net	<u>\$ 25,712,015</u>				<u>\$ 25,596,112</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Construction Commitments

The government has six active construction projects as of June 30, 2019. The Mooresville Graded School High School Construction project is for the renovation/construction of a local high school. At June 30, 2019, the government's commitment with the contractor is \$1,006,671. The Mitchell Community College project is to construct a new health science building. At June 30, 2019, the government's commitment with the contractor is \$749,198. Iredell Statesville School currently has projects to construct two new middle schools. The government's commitment with the contractor at June 30, 2019 for the Third Creek Middle School is \$13,595,222 and for the Woodland Heights Middle School is \$13,594,398. The jail expansion project is for the renovation/expansion of the jail. At June 30, 2019, the government's commitment with the contractor is \$2,950,079. The public safety complex project is to construct the new public safety complex. At June 30, 2019, the government's commitment with the contractor is \$355,469.

B. Liabilities

Payables

Payables at June 30, 2019 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 2,831,298	\$ 1,328,543	\$ 1,887,827	\$ 6,047,668
Other governmental	12,830,046	-	-	12,830,046
Internal Service Fund	678,085	-	-	678,085
Total	<u>\$ 16,339,429</u>	<u>\$ 1,328,543</u>	<u>\$ 1,887,827</u>	<u>\$ 19,555,799</u>
Business-Type Activities:				
Solid waste disposal facility	\$ 311,114	\$ 51,485	\$ 8,463	\$ 371,062
EMS special services	13,046	14,261	-	27,307
Total	<u>\$ 324,160</u>	<u>\$ 65,746</u>	<u>\$ 8,463</u>	<u>\$ 398,369</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

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

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

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019 was 8.50% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$3,818,662 for LGERS for the year ended June 30, 2019.

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, 2019, the County reported a liability of \$16,899,142 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 0.71234%, which was an increase of .03392% from its proportion measured as of June 30, 2017.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the County recognized pension expense of \$4,744,496. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,607,136	\$ 87,482
Changes of assumptions	4,484,380	-
Net difference between projected and actual earnings on pension plan investments	2,319,750	-
Changes in proportion and differences between County contributions and proportionate share of contributions	225,129	81,221
County contributions subsequent to the measurement date	<u>3,818,662</u>	<u>-</u>
Total	<u><u>\$ 13,455,057</u></u>	<u><u>\$ 168,703</u></u>

\$3,818,662 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	\$ 4,518,497
2021	2,975,498
2022	571,789
2023	1,401,908
2024	-
Thereafter	<u>-</u>
Total	<u><u>\$ 9,467,692</u></u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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 projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$40,593,201</u>	<u>\$16,899,142</u>	<u>\$ (2,899,986)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Law Enforcement Officers' Special Separation Allowance

Plan Description – Iredell 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 .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the Plan.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	21
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>151</u>
Total	<u><u>172</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.5 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

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

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted 103% for males and 99% for females.

Contributions – The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operation budget. There were no contributions made by the employees. The County's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$345,078 as benefits came due.

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

At June 30, 2019, the County reported a total pension liability of \$5,096,275. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$329,120.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 239,076
Changes of assumptions	190,922	212,863
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>134,421</u>	<u>-</u>
Total	<u><u>\$ 325,343</u></u>	<u><u>\$ 451,939</u></u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$134,421 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amount
June 30	
2020	\$ (58,007)
2021	(58,007)
2022	(58,007)
2023	(47,694)
2024	(39,302)
Thereafter	-
Total	<u>\$ (261,017)</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.64%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	<u>\$ 5,494,006</u>	<u>\$ 5,096,275</u>	<u>\$ 4,732,785</u>

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

	2019
Beginning balance	\$ 5,410,494
Service cost	221,608
Interest on the total pension liability	165,519
Difference between expected and actual experience in the measurement of the total pension liability	(169,763)
Changes of assumptions or other inputs	(186,505)
Benefit payments	<u>(345,078)</u>
Ending balance of the total pension liability	<u>\$ 5,096,275</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed \$702,086 for the reporting year. No amounts were forfeited.

Although not required, the County has chosen to include all other employees who are eligible for retirement benefits in the Supplemental Retirement Income Plan for Law Enforcement Officers. Contributions for the fiscal year ended June 30, 2019 were \$3,181,641. No amounts were forfeited.

Registers of Deeds' Supplemental Pension Fund

Plan Description. Iredell County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS), or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$17,272 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$336,300 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was 2.03%, which was a decrease of .00377% from its proportion measured as of June 30, 2017.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the County recognized pension expense of \$44,333. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,964	\$ 15,350
Changes of assumptions	15,817	-
Net difference between projected and actual earnings on pension plan investments	53,603	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,384	2,920
County contributions subsequent to the measurement date	<u>17,272</u>	<u>-</u>
Total	<u><u>\$ 92,040</u></u>	<u><u>\$ 18,270</u></u>

\$17,272 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	\$ 28,064
2021	4,313
2022	15,797
2023	8,324
2024	-
Thereafter	<u>-</u>
Total	<u><u>\$ 56,498</u></u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary expense	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	<u>\$ 265,154</u>	<u>\$ 336,300</u>	<u>\$ 396,299</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 16,899,142	\$ -	\$ (336,300)	\$ 16,562,842
Proportion of the net pension liability (asset)	0.712%	NA	-2.030%	-
Total pension liability	-	5,096,275	-	5,096,275
Pension expense	4,744,496	329,120	44,333	5,117,949

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 2,607,136	\$ -	\$ 2,964	\$ 2,610,100
Changes of assumptions	4,484,380	190,922	15,817	4,691,119
Net difference between projected and actual earnings on pension plan investments	2,319,750	-	53,603	2,373,353
Changes in proportion and differences between County contributions and proportionate share of contributions	225,129	-	2,384	227,513
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>3,818,662</u>	<u>134,421</u>	<u>17,272</u>	<u>3,970,355</u>
	<u>\$ 13,455,057</u>	<u>\$ 325,343</u>	<u>\$ 92,040</u>	<u>\$ 13,872,440</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 87,482	\$ 239,076	\$ 15,350	\$ 341,908
Changes of assumptions	-	212,863	-	212,863
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>81,221</u>	<u>-</u>	<u>2,920</u>	<u>84,141</u>
	<u>\$ 168,703</u>	<u>\$ 451,939</u>	<u>\$ 18,270</u>	<u>\$ 638,912</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Other Post-Employment Benefits

Plan Description – According to a County resolution, the County administers a single-employer, defined benefit Healthcare Benefit Plan (the HCB Plan). As of July 1, 2006, this plan provides post-employment healthcare benefits to retirees of the County who participate in the North Carolina Local Government Employees' Retirement System (System) and have 15 consecutive years of creditable service with the County. Employees hired prior to July 1, 2006 must have five years of creditable service with the County. Employees hired after July 1, 2014 are not eligible to participate in the plan. The County pays either the full cost of coverage for these benefits or a prorated amount based upon years of service until they reach age 65 or obtain Medicare coverage, whichever comes first. Also, retirees can purchase coverage for their dependents at the County's group rates. A separate report was not issued for the plan.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	91
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	619
Total	710

Funding Policy – The County will contribute to the cost of retiree insurance premium based on the years of service with Iredell County using the following schedule for employees that were hired before July 1, 2006:

<u>Years of Service at Retirement</u>	<u>Age at Retirement*</u>	<u>County Contribution</u>
30 or more	Any age	100%
20 or more	50	100%
15-19	50	75%
10-14	50	50%
5-9	50	0%

**Age requirement will be waived for employees retiring due to disability, but the employee must have five consecutive years of service with Iredell County at retirement.*

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County will contribute to the cost of retiree insurance premium based on the years of service with Iredell County using the following schedule for employees that were hired between July 1, 2006 and before July 1, 2014:

<u>Years of Service at Retirement</u>	<u>Age at Retirement*</u>	<u>County Contribution</u>
30 or more	Any age	100%
25-29	55	75%
20-24	55	50%
15-19	55	25%

Total OPEB Liability

The County's total OPEB liability of \$26,095,824 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50%-7.75%
Firefighters	3.50%-7.75%
Law enforcement officers	3.50%-7.35%
Municipal bond index rate	
Prior measurement date	3.56 percent
Measurement date	3.89 percent
Health care cost trend rates	
Pre-Medicare Medical and perscription drug	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	\$ 26,060,322
Changes for the year:	
Service cost	920,061
Interest	904,954
Differences between expected and actual experience	251,370
Changes of assumptions or other inputs	(749,059)
Benefit payments	<u>(1,291,824)</u>
Net changes	35,502
Balance at June 30, 2019	<u>\$ 26,095,824</u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.56% to 3.89%.

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

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89%) or 1-percentage-point higher (4.89%) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	<u>\$ 28,441,243</u>	<u>\$ 26,095,824</u>	<u>\$ 23,969,498</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 23,310,486	\$ 26,095,824	\$ 29,341,406

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,563,320. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 215,613	\$ 30,494
Changes of assumptions or other inputs	-	1,572,242
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,416,238</u>	<u>-</u>
Total	<u>\$ 1,631,851</u>	<u>\$ 1,602,736</u>

\$1,416,238 made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u>	<u>Total</u>
<u>June 30</u>	
2020	\$ (261,695)
2021	(261,695)
2022	(261,695)
2023	(261,695)
2024	(261,695)
Thereafter	<u>(78,648)</u>
Total	<u>\$ (1,387,123)</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Other Employment Benefits

Death Benefits – The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because the benefit payments are made by 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 payrolls, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Closure and Post-Closure Care Costs. 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 care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$8,327,231 reported as landfill closure and post-closure care liability at June 30, 2019 represents a cumulative amount reported to date, based on the use of 48% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$8.5 million as the remaining estimated capacity is filled. These amounts are based on an estimate of what it would cost to perform all closure and post-closure care in 2019. The County expects to close the Solid Waste Disposal facility in the year 2042. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under federal and state laws and regulations that help determine if an entity is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish an escrow account to accumulate resources for the payment of closure and post-closure care costs.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Transfers of \$586,543 were budgeted to be made to the landfill closure and post-closure escrow account during the year ended June 30, 2019. These funds, along with investment earnings, are held in investments with a cost of \$6,018,823 (market value \$6,018,823). The County expects that future inflation costs will be paid from the investment earnings on the escrow account. However, if investment earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Deferred Outflows and Inflows of Resources

The County's deferred outflows of resources are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 13,872,440
OPEB deferrals	1,631,851
Charge on refunding	3,646,153
Total	<u>\$ 19,150,444</u>

The County's deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Prepaid taxes (General Fund)	\$ 305,744
Prepaid taxes (Special Revenue Fund)	5,470
Taxes receivable, net (General Fund)	1,595,616
Taxes receivable, net (Special Revenue Fund)	91,271
Ambulance receivables, net	2,114,521
Pension deferrals	638,912
OPEB deferrals	1,602,736
Total	<u>\$ 6,354,270</u>

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County diversifies its insurance program purchasing coverage through commercial markets and self-funding the Workers' Compensation program.

The County purchases property and liability insurance for general, auto, public official, law enforcement, and employment practices liability coverage up to \$2,000,000 each occurrence, auto physical damage coverage for EMS, ICATS, and Solid Waste Facility owned autos at actual cash value through a self-funded, risk financing pool that is administered by the North Carolina Association of County Commissioners (NCACC). Cyber Liability insurance is provided up to \$1,000,000 each occurrence. The NCACC pool is audited annually by certified public accountants, and the audited financial statements are available to the County upon request. For

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

medical insurance, the County is reinsured through BCBS for individual losses in excess of \$100,000 and aggregate annual losses in excess of 125% of expected claims. The County purchases other specialty liability insurance from commercial markets and carries an additional \$3,000,000 limit in general aggregate for general liability, public official liability, and law enforcement liability.

The County also participates in the NCACC Workers' Compensation Pool. The County self-insures claims up to \$250,000 per occurrence. The NCACC is reinsured by commercial coverage for individual workers' compensation losses in excess of \$250,000.

The County does not carry flood insurance due to the fact that the County does not own any facilities within the 100-year flood plain.

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

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer is bonded for \$100,000; Tax Collector and five Deputy Tax Collectors are bonded for \$50,000 each; and Sheriff and Register of Deeds are bonded for \$10,000 each.

The County is self-insured for employee healthcare benefits. The estimated liability for claims that have been incurred, but not reported (IBNRs), is recorded in the Internal Service Fund. The liability was calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors.

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

	Employee Healthcare Benefits	Workers' Compensation Benefits	2019	2018
Unpaid claims, beginning	\$ 1,045,744	\$ 8,923	\$ 1,054,667	\$ 1,538,965
Incurred claims	11,018,837	665,699	11,684,536	10,721,522
Claim payments	(11,444,492)	(674,622)	(12,119,114)	(11,205,820)
Unpaid claims, ending	<u>\$ 620,089</u>	<u>\$ -</u>	<u>\$ 620,089</u>	<u>\$ 1,054,667</u>

The County considers all unpaid claims to be paid in the next fiscal year, therefore, they are classified as a current liability.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Claims and Judgments

At June 30, 2019, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Long-Term Obligations

Capital Leases

Service by Governmental Funds

The County has entered into an agreement to lease computer equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been reported at the present value of the future minimum lease payments as of the date of inception.

The agreement was executed on November 27, 2017 to lease computer equipment and require 59 monthly payments of \$15,101, with the first payment due December 31, 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

The County's outstanding capital leases from direct placements related to governmental activities of \$670,334 is secured equipment in possession. The note contains provisions that an event of default the equipment is to be delivered to the Lessor.

At June 30, 2019, the County leased computer equipment valued at:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer equipment	\$ 831,923	\$ 291,173	\$ 540,750

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending	Amount
June 30	
2020	\$ 220,710
2021	220,710
2022	204,254
2023	<u>60,406</u>
Total minimum lease payments	706,080
Less: amount representing interest	<u>35,746</u>
Present value of the minimum lease payments	<u><u>\$ 670,334</u></u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Installment Purchase Contracts

Serviced by Governmental Funds

\$6,671,075 installment payment dated October 28, 2004 used to finance DSS building; interest only payments due 4/30/05 and 10/31/05 with semi-annual principal installments beginning 4/30/06 of \$238,253, with interest at 3.59% through October 2019	\$ 238,246
\$18,000,000 installment payment revenue refunding bond dated December 1, 2008 used to refinance a portion of the 2000 bonds due in principal installments ranging from \$160,000 - \$2,415,000 through June 2020; interest due in semi-annual installments at 4.34%; secured by promissory note and first deed of trust on real property	2,370,000
\$7,691,300 installment payment Build America bonds issued December 18, 2009 used to finance construction and renovation of school facilities, due in semi-annual principal installments of \$404,805 through December 18, 2019; interest due in semi-annual installments at 4.74%	404,802
\$18,545,000 installment financing agreement dated September 18, 2013, used to refinance COPS, Series 2003 and a 2004 installment purchase agreements, due in annual principal installments ranging from \$75,000 to \$2,080,000 through October 1, 2023; interest due in semi-annual installments at 2.13%	8,510,000
\$1,300,000 installment payment Energy United loan issued 2/10/14, used to finance the renovation of the HVAC system at West Iredell High School, due in annual installments of \$130,000 through July, 2023; interest free	650,000
\$24,335,000 Limited Obligation Refunding bonds dated February 1, 2015, used to refinance COPS, Series 2006, due in annual principal installments ranging from \$1,970,000 to \$2,080,000 through June 30, 2027; interest due in semi-annual installments at 5%	16,065,000
\$54,316,800 Limited Obligation Refunding bonds dated December 1, 2016, used to refinance COPS, Series 2008, due in annual principal installments ranging from \$5,485,000 to \$5,800,000 through December 1, 2027; interest due in semi-annual installments at 5%	48,748,800

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$2,050,000 installment financing agreement dated September 25, 2018, used to finance vehicles, due in semi-annual principal installments of \$205,000 through September 1, 2023; interest due in semi-annual installments at 2.81% 1,845,000

\$11,000,000 installment financing agreement dated October 10, 2017, used to finance construction of Public Safety Complex, due in annual principal installments of \$1,100,000 through October 2027; interest due in semi-annual installments at 2.05% 9,900,000

Total \$ 88,731,848

Serviced by Enterprise Fund

\$2,263,200 Limited Obligation Refunding bonds dated December 1, 2016, used to refinance COPS, Series 2008, due in annual principal installments ranging from \$5,485,000 to \$5,800,000 through December 1, 2027; interest due in semi-annual installments at 5% \$ 2,031,200

The County's outstanding notes from direct placements related to governmental activities of \$238,246 is secured with the DSS facility being constructed. The note contains provisions that an event of default could result in the lender taking a security interest in the facility.

The County's outstanding notes from direct placements related to governmental activities of \$2,370,000 is secured with the assets purchased. The note contains provisions that an event of default could result in the lender taking a security interest in the assets purchased.

The County's outstanding notes from direct placements related to governmental activities of \$404,802 is secured with the school facilities renovated and constructed. The note contains provisions that an event of default could result in the lender taking a security interest in the school facilities renovated and constructed.

The County's outstanding notes from direct placements related to governmental activities of \$8,510,000 is secured with the sites, buildings, improvements, and fixtures to be located thereon. The note contains provisions that an event of default could result in the lender taking a security interest in the sites, buildings, improvements, and fixtures to be located thereon.

The County's outstanding notes from direct placements related to governmental activities of \$650,000 is secured with the real estate and premises known as West High for which the assets were purchased for. The note contains provisions that an event of default could result in the sole recourse of the lender foreclosing on the secured property.

The County's outstanding notes from direct placements related to governmental activities of \$16,065,000 is secured with the assets purchased. The note contains provisions that an event of default could result in the lender taking a security interest in the assets purchased.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's outstanding notes from direct placements related to governmental activities of \$48,748,800 is secured with the assets purchased. The note contains provisions that an event of default could result in the lender taking a security interest in the assets purchased.

The County's outstanding notes from direct placements related to governmental activities of \$1,845,000 is secured with the vehicles purchased. The note contains provisions that an event of default could result in the lender taking a security interest in the vehicles purchased.

The County's outstanding notes from direct placements related to governmental activities of \$9,900,000 is secured with the site, buildings, improvements, and fixtures to be located thereon. The note contains provisions that an event of default could result in the lender taking a security interest in the site, buildings, improvements, and fixtures to be located thereon.

The County's outstanding notes from direct placements related to business-type activities of \$2,031,000 is secured with the assets purchased. The note contains provisions that an event of default could result in the lender taking a security interest in the assets purchased.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 14,052,058	\$ 3,621,530
2021	10,945,000	3,053,881
2022	10,856,200	2,606,037
2023	10,748,000	2,161,558
2024	10,439,800	1,721,055
2025-2029	31,690,790	2,896,950
Total	<u>\$ 88,731,848</u>	<u>\$ 16,061,011</u>

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2020	\$ 231,000	\$ 95,785
2021	230,000	84,260
2022	228,800	72,790
2023	227,000	61,395
2024	225,200	50,090
2025-2029	889,200	88,450
Total	<u>\$ 2,031,200</u>	<u>\$ 452,770</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Promissory Notes Payable

Bonds Payable

\$36,825,000 dated December 22, 2015 to fund schools due in annual principal payments of \$1,845,000 through April 2036; interest due semi-annually ranging from 3.00% to 5.00%	\$ 31,290,000
\$5,300,000 sold March 25, 2008 to fund community college improvements, due in annual principal payments ranging from \$250,000 to \$525,000 through April, 2027; interest due semi-annually ranging from 3.5% to 5.0%	2,550,000
\$21,915,000 dated March 10, 2015 to refund 2006 GO bonds, due in annual principal payments ranging from \$20,000 to \$2,390,000 through February, 2026; interest due semi-annually ranging from 2.00% to 5.00%	15,315,000
\$4,135,000 dated March 10, 2015 to refund 2006 GO bonds, due in annual principal payments ranging from \$5,000 to \$435,000 through February, 2026; interest due semi-annually ranging from 2.00% to 5.00%	2,840,000
\$12,700,000 dated March 10, 2015 to fund schools, due in one principal and interest payment on February 1, 2035; interest rate at 3.90%. The County is making Sinking Fund payments over the life of the issue.	12,210,000
\$17,605,000 dated October 11, 2016 to fund NIHS/SIHS project, due in annual principal payments of \$880,000 through June 2037; interest due semi-annually ranging from 2.00% to 5.00%	15,845,000
\$43,980,000 dated September 18, 2018 to fund Third Creek and Woodland Heights Middle schools, due in annual principal payments of \$2,200,000 through October 2038; interest due semi-annually ranging from 3.00% to 5.00%	43,980,000
\$11,460,000 dated May 30, 2018 to fund community college improvements, due in annual principal payments ranging from \$570,000 to \$575,000 through June 2038; interest due annually ranging from 3.00% to 5.00%	<u>10,885,000</u>
Total	<u>\$ 134,915,000</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2020	\$ 8,530,000	\$ 5,292,545
2021	8,520,000	4,867,608
2022	8,530,000	4,442,858
2023	8,550,000	4,017,296
2024	8,490,000	3,667,559
2025-2029	33,050,000	13,471,789
2030-2034	27,455,000	8,114,363
2035-2039	31,790,000	1,981,483
Total	<u>\$ 134,915,000</u>	<u>\$ 45,855,501</u>

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations as of June 30, 2019:

	June 30, 2018	Increases	Decreases	June 30, 2019	Due in Less Than One Year
Governmental Activities:					
General obligation bonds	\$ 97,270,000	\$ 43,980,000	\$ 6,335,000	\$ 134,915,000	\$ 8,530,000
Capital leases	739,049	107,845	176,560	670,334	201,960
Direct placement installment purchase contract	101,315,964	2,050,000	14,634,116	88,731,848	14,052,058
Net pension liability (LGERS)	9,789,697	6,404,069	-	16,193,766	-
Total pension liability (LEOSSA)	5,410,494	30,859	345,078	5,096,275	-
Total OPEB liability	24,757,306	33,727	-	24,791,033	-
Compensated absences	2,769,038	2,361,153	2,298,560	2,831,631	2,406,886
Unamortized premiums/discounts	19,303,099	3,249,000	2,237,063	20,315,036	2,237,063
Total governmental activities	<u>\$ 261,354,647</u>	<u>\$ 58,216,653</u>	<u>\$ 26,026,377</u>	<u>\$ 293,544,923</u>	<u>\$ 27,427,967</u>

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>Due in Less Than One Year</u>
Business-Type Activities:					
Solid Waste Fund:					
Direct placement installment					
purchase contract	\$ 2,263,200	\$ -	\$ 232,000	\$ 2,031,200	\$ 231,000
Accrued landfill closure and					
post-closure costs	7,833,665	493,566	-	8,327,231	-
Net pension liability (LGRS)	481,171	65,348	-	546,519	-
Total OPEB liability	1,042,413	1,420	-	1,043,833	-
Compensated absences	129,588	76,693	72,153	134,128	114,009
Unamortized premiums/discounts	345,683	-	43,210	302,473	43,210
Total	<u>12,095,720</u>	<u>637,027</u>	<u>347,363</u>	<u>12,385,384</u>	<u>388,219</u>
EMS Special Services Fund:					
Net pension liability (LGRS)	93,509	65,348	-	158,857	-
Total OPEB liability	260,603	355	-	260,958	-
Compensated absences	23,780	28,706	18,380	34,106	28,990
Total	<u>377,892</u>	<u>94,409</u>	<u>18,380</u>	<u>453,921</u>	<u>28,990</u>
Total business-type activities	<u>\$ 12,473,612</u>	<u>\$ 731,436</u>	<u>\$ 365,743</u>	<u>\$ 12,839,305</u>	<u>\$ 417,209</u>

Net pension liability, total pension liability, and net OPEB liability for governmental activities are all typically liquidated in the General Fund. Compensated absences typically have been liquidated in the General Fund and are accounted for on an FIFO basis.

At June 30, 2019, Iredell County, North Carolina, had \$8,130,000 in bonds authorized, but unissued, and a legal debt margin of \$1,652,265,248.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Net Investment in Capital Assets

Governmental Capital Assets:

Net capital assets	<u>\$ 415,080,101</u>
Gross debt	244,632,218
Deferred charges	3,495,926
Less:	
Unspent debt proceeds	43,854,026
School debt for assets to which the County does not hold title	<u>13,435,000</u>
Total capital debt	<u>190,839,118</u>
Net investment in capital assets	<u><u>\$ 224,240,983</u></u>

Enterprise Capital Assets:

Solid Waste Activities:

Net capital assets	<u>\$ 25,371,518</u>
Total debt, gross	2,333,673
Deferred charges	<u>150,227</u>
Total capital debt	<u>2,483,900</u>
Net investment in capital assets	22,887,618

EMS Special Services Activities:

Net investment in capital assets	<u>224,594</u>
Total business-type activities	<u><u>\$ 23,112,212</u></u>

Conduit Debt Obligation

Iredell County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit, and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the state, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there were no industrial revenue bonds outstanding.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Advance Refunding

On December 1, 2016, the County issued \$56,580,000 Limited Obligation Refunding bonds, Series 2016 to refund Series 2008 Certificates of Participation. As a result, the refunded debt is considered defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The net proceeds of \$66,857,444 were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The reacquisition price exceeded the net carrying amount of the debt by \$10,802,575. The Series 2016 Limited Obligation Refunding bonds, with payment dates of December 1 and June 1, will mature December 1, 2027. The 2016 Limited Obligation Refunding bonds were placed at a true interest cost of 1.86% and an all-in interest cost of 1.952%. The refunding was undertaken to reduce the total debt service payments by \$8,707,189, a net present value savings of 13.84% of the refunded par amount. Deferred charge on this refunding totaled \$2,926,050 at the date of the refunding.

C. Interfund Balances and Activity

Transfers to/from Other Funds

Transfers in (out) for the year ended June 30, 2019 are summarized below:

	Transfers		Reason
	From	To	
Governmental Funds:			
General Fund	\$ 1,269,197	\$ -	
Jail Expansion Project Fund	-	592,594	Project funding
Other nonmajor governmental funds:			
Fire District Fund	-	195,103	Debt funding
Juvenile Crime Prevention Grant Fund	-	24,500	Grant matching
Transportation Services Fund	1,147	-	Budgeted funding
Facilities Improvement Fund	-	457,000	Project funding
Public Safety Complex Capital Project Fund	-	125,000	Project funding
Enterprise Funds:			
Solid waste disposal facility	-	1,147	Budgeted funding
EMS special services	125,000	-	Project funding
Total	<u>\$ 1,395,344</u>	<u>\$ 1,395,344</u>	

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

D. Joint Ventures

Mitchell Community College

The County, in conjunction with the State of North Carolina and the Iredell-Statesville Schools Board of Education, participates in a joint venture to operate Mitchell Community College. Each of the three entities appoints four members of the 13-member Board of Trustees of the community college. The president of the community college's student government serves as an ex-officio, non-voting member of the community college's Board of Trustees. The community college is a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the college and also provides some financial support for the college's operation. The County has an ongoing financial responsibility for the college because of statutory responsibilities to provide funding for the college's facilities. The County contributed \$3,472,730 to the college for operating purposes and \$1,101,535 for capital outlay during the year ended June 30, 2019. The participants in the joint venture do not have any equity interest in the college; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the community college may be obtained from the college's administrative offices at 500 West Broad Street, Statesville, North Carolina 28677.

Partners Behavioral Health Management

The County, in conjunction with Surry County, Yadkin County, Burke County, Catawba County, Gaston County, Lincoln County, and Cleveland County participates in a joint venture to operate Partners Behavioral Health Management. The Board of Directors shall consist of up to 26 members (25 members appointed by the County Commissioners and one Consumer and Family Advisory Committee representative). The number of members from each County shall be determined by the percentage of each County's population compared to the total population of the Catchment area. The organization's continued existence depends on the participating government's support. The County contributed \$565,875 for operating and capital purposes during the year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the organization may be obtained from Partners Behavioral Health Management, 901 South New Hope Road, Gastonia, North Carolina 28054.

Lake Norman Marine Commission

The County, in conjunction with Catawba County, Mecklenburg County, and Lincoln County, participates in a joint venture to operate the Lake Norman Marine Commission. Catawba County appoints two Board members and all other counties appoint one. Cash contributions in equal amounts from the participating counties comprise the majority of the Commission's revenue. The County contributed \$31,000 to the Commission during the year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the Commission may be obtained from Centralina Council of Governments, P.O. Box 35008, 1 Charlotte Town Center, Charlotte, North Carolina 28235.

IREDELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

E. Jointly Governed Organization

Centralina Council of Governments

The County, in conjunction with eight other counties and 48 municipalities, established the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$41,614 to the Council during the fiscal year ended June 30, 2019.

F. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

This page left blank intentionally.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability
- Law Enforcement Officers' Special Separation Allowance - Schedule of Total Pension Liability as a Percentage of Covered Payroll
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Other Post-Employment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios
- Notes to the Required Schedules for Other Post-Employment Benefits
- Schedule of the County's Proportionate Share of the Net Pension Liability - Local Government Employees' Retirement System
- Schedule of Employer Contributions for the Local Government Employees' Retirement System
- Schedule of the County's Proportionate Share of the Register of Deeds' Net Pension Asset - Supplemental Pension Fund
- Schedule of Employer Contributions for Register of Deeds' Supplemental Pension Fund

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST THREE FISCAL YEARS

Law Enforcement Officers' Special Separation Allowance			
	2019	2018	2017
Beginning balance	\$ 5,410,494	\$ 5,187,940	\$ 5,192,501
Service cost	221,608	186,847	223,942
Interest on the total pension liability	165,519	194,463	180,189
Differences between expected and actual experience in the measurement of the total pension liability	(169,763)	(153,905)	-
Changes of assumptions or other inputs	(186,505)	295,250	(118,302)
Benefit payments	(345,078)	(300,101)	(290,390)
Ending balance of the total pension liability	<u>\$ 5,096,275</u>	<u>\$ 5,410,494</u>	<u>\$ 5,187,940</u>

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

Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

IREDELL COUNTY, NORTH CAROLINA

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

Law Enforcement Officers' Special Separation Allowance			
	2019	2018	2017
Total pension liability	\$ 5,096,275	\$ 5,410,494	\$ 5,187,940
Covered payroll	7,740,389	7,263,662	8,298,639
Total pension liability as a percentage of covered payroll	65.84%	74.49%	62.52%

Notes to the Schedules:

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

Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

IREDELL COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TWO FISCAL YEARS

	Total OPEB Liability	
	2019	2018
Service cost	\$ 920,061	\$ 990,254
Interest	904,954	785,461
Differences between expected and actual experience	251,370	(42,618)
Changes of assumptions or other inputs	(749,059)	(1,299,411)
Benefit payments	(1,291,824)	(929,927)
Net change in total OPEB liability	35,502	(496,241)
Total OPEB liability - beginning	26,060,322	26,556,563
Total OPEB liability - ending	<u>\$ 26,095,824</u>	<u>\$ 26,060,322</u>
Covered payroll	\$ 30,543,046	\$ 30,543,046
Total OPEB liability as a percentage of covered payroll	85.44%	85.32%

Notes to the Required Schedules:

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

Fiscal Year	Rate
2019	3.89%
2018	3.56%

OPEB schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

IREDELL COUNTY, NORTH CAROLINA**IREDELL COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS ***

Local Government Employees' Retirement System						
	2019	2018	2017	2016	2015	2014
Iredell County's proportion of the net pension liability (asset) (%)	0.71234%	0.67842%	0.70015%	0.66900%	0.68700%	0.68700%
Iredell County's proportion of the net pension liability (asset) (\$)	\$ 16,899,142	\$ 10,364,377	\$ 14,859,529	\$ 3,003,419	\$ (4,053,858)	\$ 8,279,783
Iredell County's covered payroll*	\$ 45,702,146	\$ 43,805,776	\$ 39,887,847	\$ 38,564,900	\$ 38,666,185	\$ 37,369,049
Iredell County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.98%	23.66%	37.25%	7.79%	(10.48%)	22.16%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

IREDELL COUNTY, NORTH CAROLINA

IREDELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS

Local Government Employees' Retirement System						
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,818,662	\$ 3,490,078	\$ 3,240,257	\$ 2,717,145	\$ 2,751,911	\$ 2,753,863
Contributions in relation to the contractually required contribution	<u>3,818,662</u>	<u>3,490,078</u>	<u>3,240,257</u>	<u>2,717,145</u>	<u>2,751,911</u>	<u>2,753,863</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Iredell County's covered payroll	\$ 48,464,552	\$ 45,702,146	\$ 43,805,776	\$ 39,887,847	\$ 38,564,900	\$ 38,666,185
Contributions as a percentage of covered payroll	7.88%	7.64%	7.40%	6.81%	7.14%	7.12%

Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

IREDELL COUNTY, NORTH CAROLINA

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

Register of Deeds' Supplemental Pension Fund						
	2019	2018	2017	2016	2015	2014
Iredell County's proportion of the net pension liability (asset) (%)	2.03%	2.03%	2.06%	1.95%	1.87%	1.90%
Iredell County's proportion of the net pension liability (asset) (\$)	\$ (336,300)	\$ (347,218)	\$ (384,709)	\$ (451,233)	\$ (424,135)	\$ (404,954)
Iredell County's covered payroll*	\$ 68,529	\$ 60,565	\$ 67,732	\$ 64,567	\$ 62,635	\$ 61,111
Iredell County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-490.74%	-573.30%	-567.99%	-698.86%	-677.15%	-662.65%
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

IREDELL COUNTY, NORTH CAROLINA**IREDELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS****Registers of Deeds' Supplemental Pension Fund**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 17,272	\$ 5,181	\$ 4,439	\$ 4,572	\$ 15,581	\$ 15,278
Contributions in relation to the contractually required contribution	<u>17,272</u>	<u>5,181</u>	<u>4,439</u>	<u>4,572</u>	<u>15,581</u>	<u>15,278</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Iredell County's covered payroll	\$ 77,095	\$ 68,529	\$ 60,565	\$ 67,732	\$ 64,567	\$ 62,635
Contributions as a percentage of covered payroll	22.40%	7.56%	7.33%	6.75%	24.13%	24.39%

Pension schedules in the required supplementary information are intended to show information for ten years and that additional years' information will be displayed as it becomes available.

This page left blank intentionally.

MAJOR GOVERNMENTAL FUNDS

This page left blank intentionally.

THE GENERAL FUND

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

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 122,768,193	\$ 124,289,809	\$ 1,521,616	\$ 120,227,018
Penalties and interest	582,930	630,280	47,350	575,036
Total	<u>123,351,123</u>	<u>124,920,089</u>	<u>1,568,966</u>	<u>120,802,054</u>
Other Taxes and Licenses:				
Local option sales taxes	40,547,936	41,643,992	1,096,056	38,716,096
Medicaid hold harmless	1,800,000	2,326,949	526,949	1,487,064
Revenue stamps	1,800,000	1,936,862	136,862	1,729,951
Franchise taxes	495,000	466,484	(28,516)	481,459
Beer and wine licenses	13,500	5,464	(8,036)	5,616
Rental vehicle tax	245,000	277,293	32,293	230,051
City hold harmless	(3,263,520)	(3,274,850)	(11,330)	(3,072,028)
Total	<u>41,637,916</u>	<u>43,382,194</u>	<u>1,744,278</u>	<u>39,578,209</u>
Unrestricted Intergovernmental Revenues:				
Beer and wine excise tax	515,000	459,379	(55,621)	452,951
Returns of IV-D collections	230,000	205,944	(24,056)	206,049
IV-D law enforcement reimbursement	160,000	155,139	(4,861)	151,712
IV-D incentive and other IV-D	5,000	1,625	(3,375)	1,925
Total	<u>910,000</u>	<u>822,087</u>	<u>(87,913)</u>	<u>812,637</u>
Restricted Intergovernmental Revenues:				
Federal and state grants	13,438,361	12,392,063	(1,046,298)	12,172,579
Court facility fees	258,000	256,102	(1,898)	265,088
ABC 5 cent bottle tax	50,000	57,568	7,568	53,888
Controlled substance tax	26,000	48,852	22,852	31,140
Seized fund - other	-	10,039	10,039	5,849
Jail fees - Clerk of Court	43,000	60,465	17,465	41,499
Interest rebate	488,125	451,555	(36,570)	496,015
Lottery proceeds	1,034,726	1,034,715	(11)	315,997
Total	<u>15,338,212</u>	<u>14,311,359</u>	<u>(1,026,853)</u>	<u>13,382,055</u>
Permits and Fees:				
Building permits	4,967,797	5,951,779	983,982	5,216,444
Register of Deeds	915,000	885,052	(29,948)	888,461
Other permits and fees	1,043,010	992,395	(50,615)	1,015,461
Total	<u>6,925,807</u>	<u>7,829,226</u>	<u>903,419</u>	<u>7,120,366</u>
Sales and Services:				
Health service fees	2,751,005	3,536,199	785,194	2,864,854
Rents	430,550	442,177	11,627	341,058
Jail fees and programs	239,000	404,467	165,467	268,549
Municipal tax collection fees	953,500	956,937	3,437	891,415
Recreation fees and programs	567,987	473,186	(94,801)	317,141
Ambulance fees	4,673,567	4,682,770	9,203	4,537,057
ROD - tech. and preser.	126,750	98,487	(28,263)	99,616

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Officer's fees	342,125	325,078	(17,047)	369,063
School resource officer reimbursement	270,486	270,750	264	222,165
Animal control	165,050	92,084	(72,966)	130,830
Planning department	145,515	150,725	5,210	151,098
Library	70,500	39,615	(30,885)	46,941
Health building costs reimbursement	60,000	45,548	(14,452)	54,303
Fire marshal	3,400	8,333	4,933	3,132
Other	144,000	201,768	57,768	202,953
Total	<u>10,943,435</u>	<u>11,728,124</u>	<u>784,689</u>	<u>10,500,175</u>
Investment Earnings	<u>913,500</u>	<u>2,399,571</u>	<u>1,486,071</u>	<u>1,402,002</u>
Miscellaneous:				
Sale of property	50,000	135,009	85,009	68,996
Private donations and grants	137,075	80,286	(56,789)	149,975
Municipal reimbursements	4,844	5,235	391	4,845
Insurance claims	25,000	33,771	8,771	73,831
Mooreville ABC profits	200,000	225,201	25,201	200,000
Tax overpayments	30,000	11,892	(18,108)	(2,331)
Other	213,000	299,658	86,658	150,520
Total	<u>659,919</u>	<u>791,052</u>	<u>131,133</u>	<u>645,836</u>
Total Revenues	<u>200,679,912</u>	<u>206,183,702</u>	<u>5,503,790</u>	<u>194,243,334</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	149,959	149,958		146,469
Operating expenditures	78,365	57,454		58,499
Total	<u>228,324</u>	<u>207,412</u>	<u>20,912</u>	<u>204,968</u>
Administration:				
Salaries and employee benefits	677,600	503,653		600,906
Operating expenditures	56,280	35,243		43,031
Total	<u>733,880</u>	<u>538,896</u>	<u>194,984</u>	<u>643,937</u>
Human Resources:				
Salaries and employee benefits	440,433	420,777		337,587
Operating expenditures	86,539	80,143		69,017
Total	<u>526,972</u>	<u>500,920</u>	<u>26,052</u>	<u>406,604</u>
Elections:				
Salaries and employee benefits	374,982	336,930		345,654
Operating expenditures	229,609	153,592		176,291
Capital outlay	56,888	-		5,487
Total	<u>661,479</u>	<u>490,522</u>	<u>170,957</u>	<u>527,432</u>

IREDELL COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Finance:				
Salaries and employee benefits	746,486	715,410		753,549
Operating expenditures	295,266	261,034		243,942
Total	1,041,752	976,444	65,308	997,491
Tax Administration and Land Records:				
Salaries and employee benefits	2,832,970	2,727,839		2,562,132
Operating expenditures	750,949	599,404		833,588
Capital outlay	47,788	23,845		13,835
Total	3,631,707	3,351,088	280,619	3,409,555
Information Systems Management:				
Salaries and employee benefits	1,167,906	967,342		973,074
Operating expenditures	792,725	713,915		602,787
Capital outlay	239,502	125,953		950,177
Total	2,200,133	1,807,210	392,923	2,526,038
Legal:				
Professional services	115,500	90,985		102,984
Total	115,500	90,985	24,515	102,984
Courts:				
Operating expenditures	120,800	70,871		28,528
Capital outlay	-	-		5,187
Total	120,800	70,871	49,929	33,715
Register of Deeds:				
Salaries and employee benefits	609,711	609,706		564,697
Operating expenditures	320,391	94,276		259,602
Total	930,102	703,982	226,120	824,299
Facility Services:				
Salaries and employee benefits	1,658,004	1,542,870		1,534,847
Operating expenditures	258,077	223,648		212,405
Capital outlay	175,173	175,155		34,400
Total	2,091,254	1,941,673	149,581	1,781,652
Vehicle Services:				
Salaries and employee benefits	339,309	339,285		329,737
Operating expenditures	45,047	21,095		76,324
Capital outlay	20,000	14,199		-
Total	404,356	374,579	29,777	406,061
General Government Buildings:				
Operating expenditures	1,590,412	1,408,737		1,556,108
Capital outlay	187,115	147,815		6,505
Total	1,777,527	1,556,552	220,975	1,562,613

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		2018
	Final Budget	Actual	Variance Over/Under
			Actual
Economic Development:			
Charlotte Regional Partnership	32,961	32,960	32,295
CCOG - Economic Development Commission	6,840	6,840	6,840
Greater Statesville Development Corporation	265,300	265,300	130,050
Project development	819,759	51,700	1,000
Economic incentives	2,363,166	1,435,977	1,940,997
MeckUnion Metro Planning Org	23,957	23,957	-
Mooresville Chamber of Commerce	-	-	130,050
Lake Norman Regional Trans Comm	20,750	20,064	16,663
Exit 31 Econ Dev Analysis	22,916	-	1,056
Town of Harmony Econ Dev	1,850	500	-
Statesville Airport - other	162,073	26,567	317,705
Total	3,719,572	1,863,865	2,576,656
General Government:			
Salaries and employee benefits	1,371,985	(4,781)	(5,228)
Operating expenditures	824,216	493,100	544,079
Capital outlay	178,477	144,856	124,650
Total	2,374,678	633,175	663,501
Special Appropriations:			
5th Street Shelter Ministry	25,000	25,000	25,000
Civil Air Patrol	2,500	2,500	2,500
Fort Dobbs Alliance	10,000	10,000	10,000
Beaver Management Program	4,000	4,000	-
Centralina Council of Government	41,614	41,614	40,768
Domiciliary Board Expense	400	196	214
Historical Society	3,172	3,172	388
ICATS	30,000	30,000	-
Institute of Government	21,899	21,899	20,853
Iredell Council On Aging	61,950	61,950	57,525
Iredell Kidney Dialysis Org	50,000	50,000	50,000
Iredell Museums, Inc.	10,000	10,000	10,000
Iredell Soil and Water	168,047	168,047	173,979
Lake Norman Marine Commission	31,000	31,000	27,000
Mooresville Health Assistance	15,000	15,000	15,000
National Association of Counties	2,650	2,571	2,571
NC Association of County Commissioners	14,870	14,870	14,665
NC Forestry Service	75,385	60,317	68,931
Centralina Aging Program	17,436	17,435	34,815
Nursing Home Residents Rights	2,000	2,000	2,000
SCAN	15,000	15,000	15,000
Third Creek Watershed	22,852	22,852	79,556
TWC Mapping Project	8,000	-	-
YMCA	-	-	10,000
Total	632,775	609,423	660,765

IREDELL COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Total general government	21,190,811	15,717,597	5,473,214	17,328,271
Public Safety:				
Sheriff:				
Salaries and employee benefits	11,947,647	11,441,985		10,688,395
Operating expenditures	3,360,905	3,091,140		2,970,319
Capital outlay	1,566,769	1,153,750		992,165
Total	16,875,321	15,686,875	1,188,446	14,650,879
Crime Lab:				
Operating expenditures	-	-		780
Total	-	-	-	780
Training Academy:				
Operating expenditures	-	-		1,429
Total	-	-	-	1,429
Jail:				
Salaries and employee benefits	6,821,476	5,623,773		4,964,384
Operating expenditures	4,663,038	3,890,738		3,607,603
Capital outlay	172,877	95,494		101,139
Total	11,657,391	9,610,005	2,047,386	8,673,126
Inmate Reduction:				
Salaries and employee benefits	-	-		43,900
Professional services	-	-		62,290
Total	-	-	-	106,190
Office of Emergency Management:				
Salaries and employee benefits	217,576	213,927		215,441
Operating expenditures	150,390	129,388		79,730
Capital outlay	33,300	33,268		-
Total	401,266	376,583	24,683	295,171
Fire Marshal:				
Salaries and employee benefits	347,451	345,703		327,518
Operating expenditures	78,194	68,909		77,028
Capital outlay	30,000	29,035		31,433
Total	455,645	443,647	11,998	435,979
Emergency Medical Service:				
Salaries and employee benefits	7,930,704	7,367,506		6,826,646
Operating expenditures	1,614,635	1,532,476		1,471,270
Capital outlay	921,918	866,552		836,992
Total	10,467,257	9,766,534	700,723	9,134,908

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Emergency Communications:				
Salaries and employee benefits	2,583,981	2,316,124		2,088,931
Operating expenditures	399,505	283,619		192,996
Capital outlay	519,784	12,960		852,935
Total	<u>3,503,270</u>	<u>2,612,703</u>	<u>890,567</u>	<u>3,134,862</u>
Animal Services:				
Salaries and employee benefits	1,158,115	1,096,608		1,015,488
Operating expenditures	512,600	376,754		285,477
Capital outlay	71,060	64,245		-
Total	<u>1,741,775</u>	<u>1,537,607</u>	<u>204,168</u>	<u>1,300,965</u>
Public Safety Buildings:				
Operating expenditures	233,226	225,475		178,723
Capital outlay	-	-		13,777
Total	<u>233,226</u>	<u>225,475</u>	<u>7,751</u>	<u>192,500</u>
Special Appropriations:				
South Iredell Fire & Rescue	13,892	13,892		13,889
Lake Norman Fire & Rescue	31,053	31,053		30,595
Mt. Mourne Fire & Rescue	19,933	19,933		19,838
Shepherds Fire & Rescue	30,653	30,653		30,119
Mooreville Fire & Rescue	74,392	74,392		70,292
Iredell Rescue - Reserve	43,782	25,418		9,000
Lake Norman Fire & Rescue - Reserve	30,186	-		-
Mooreville Fire & Rescue - Reserve	12,067	-		19,430
Mt. Mourne Fire & Rescue - Reserve	7,096	-		-
N. Iredell Rescue - Reserve	60,072	-		-
Shepherds Fire & Rescue - Reserve	29,994	-		-
South Ired Fire & Rescue - Reserve	5,256	-		-
Troutman Rescue - Reserve	19,421	-		-
Iredell County Rescue Squad	425,011	425,011		413,463
North Iredell Rescue Squad	202,731	202,731		188,728
Troutman Rescue Squad	77,013	77,013		77,010
Contracted services - other	2,414	2,414		-
Capital outlay	-	-		2,020
Total	<u>1,084,966</u>	<u>902,510</u>	<u>182,456</u>	<u>874,384</u>
Total public safety	<u>46,420,117</u>	<u>41,161,939</u>	<u>5,258,178</u>	<u>38,801,173</u>
Economic and Physical Development:				
Planning and Enforcement:				
Salaries and employee benefits	2,850,775	2,816,866		2,688,728
Operating expenditures	244,604	218,799		191,807
Capital outlay	614,725	474,219		302,017
Total	<u>3,710,104</u>	<u>3,509,884</u>	<u>200,220</u>	<u>3,182,552</u>

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Central Permitting:				
Salaries and employee benefits	372,964	343,636		312,880
Operating expenditures	165,155	84,461		45,542
Total	538,119	428,097	110,022	358,422
Cooperative Extension Service:				
Salaries and employee benefits	107,476	105,628		101,645
Operating expenditures	291,950	247,811		247,395
Total	399,426	353,439	45,987	349,040
Economic Development Buildings:				
Operating expenditures	202,835	168,030		169,161
Capital outlay	167,000	-		10,405
Total	369,835	168,030	201,805	179,566
Total economic and physical development	5,017,484	4,459,450	558,034	4,069,580
Human Services:				
Health Department:				
Salaries and employee benefits	7,588,493	7,000,146		6,581,247
Operating expenditures	1,883,473	1,573,220		1,551,677
Capital outlay	37,705	19,700		117,935
Total	9,509,671	8,593,066	916,605	8,250,859
Social Services Administration:				
Salaries and employee benefits	15,872,567	14,663,187		14,629,825
Medicaid	8,000	2,969		-
Child daycare	8,000	-		3,449
Adult special assistance	1,100,000	727,904		815,922
Foster care	1,541,025	1,336,345		1,269,950
Adoption assistance	444,050	356,766		353,699
TANF	120,000	119,987		119,990
Crisis intervention	361,962	441,315		416,147
Other programs	1,398,803	882,009		906,333
Operating expenditures	1,641,777	1,305,681		1,317,215
Capital outlay	106,561	79,910		-
Total	22,602,745	19,916,073	2,686,672	19,832,530
Veteran Services:				
Salaries and employee benefits	182,551	180,183		127,729
Operating expenditures	12,594	9,405		9,745
Total	195,145	189,588	5,557	137,474
Human Services Building Facility:				
Operating expenditures	266,926	244,191		227,240
Total	266,926	244,191	22,735	227,240

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Contracted Human Services:				
Crossroads Behavioral Health	565,875	565,875		565,875
Total	565,875	565,875	-	565,875
Total human services	33,140,362	29,508,793	3,631,569	29,013,978
Cultural and Recreational:				
Public Library:				
Salaries and employee benefits	1,826,282	1,755,397		1,735,090
Operating expenditures	1,827,127	1,793,598		1,748,862
Capital outlay	-	-		111,473
Total	3,653,409	3,548,995	104,414	3,595,425
Parks and Recreation:				
Salaries and employee benefits	876,289	762,582		669,449
Operating expenditures	468,621	423,377		216,475
Capital outlay	973,433	903,870		171,082
Total	2,318,343	2,089,829	228,514	1,057,006
Cultural and Recreational Buildings:				
Operating expenditures	804,649	552,877		391,631
Total	804,649	552,877	251,772	391,631
Total cultural and recreational	6,776,401	6,191,701	584,700	5,044,062
Education:				
Public schools - current	50,408,204	47,915,377		46,486,616
Public schools - capital outlay	17,256,780	13,532,130		9,459,337
Community college - current	3,472,730	3,472,730		3,371,910
Community college - capital outlay	1,101,535	1,097,479		1,375,513
Total	72,239,249	66,017,716	6,221,533	60,693,376
Total education	72,239,249	66,017,716	6,221,533	60,693,376
Debt Service:				
Principal retirement	21,814,102	21,814,097		20,849,980
Interest and fees	8,976,414	8,896,993		8,428,585
Total	30,790,516	30,711,090	79,426	29,278,565
Total expenditures	215,574,940	193,768,286	21,806,654	184,229,005
Revenues over (under) expenditures	(14,895,028)	12,415,416	27,310,444	10,014,329

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Final Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Fund balance appropriated	16,846,475	-	(16,846,475)	-
Direct placement installment purchase	2,021,000	2,050,000	29,000	-
Capital lease obligations issued	118,476	107,845	(10,631)	831,923
From capital project funds	-	-	-	245,190
(To) capital project funds	(4,066,423)	(1,244,697)	2,821,726	(6,123,036)
(To) special revenue funds	(24,500)	(24,500)	-	(24,500)
Total other financing sources (uses)	<u>14,895,028</u>	<u>888,648</u>	<u>(14,006,380)</u>	<u>(5,070,423)</u>
Net change in fund balance	<u>\$ -</u>	<u>13,304,064</u>	<u>\$ 13,304,064</u>	<u>4,943,906</u>
Fund Balance:				
Beginning of year, July 1		98,615,467		92,824,719
Reconciliation from Budgetary Basis to Modified Accrual Basis:				
Current year loan receivable repayments		(30,000)		-
Debt service payment to Sinking Fund		<u>668,421</u>		<u>846,842</u>
End of year, June 30		<u>\$ 112,557,952</u>		<u>\$ 98,615,467</u>

This page left blank intentionally.

2018 ISS GO Middle School Project Fund

The 2018 ISS GO Middle School Project Fund accounts for funds used in the construction of two local middle schools.

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

**2018 ISS GO MIDDLE SCHOOL PROJECT - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted Intergovernmental:					
Investment earnings	\$ 470,000	\$ -	\$ 713,768	\$ 713,768	\$ 243,768
Sales tax refund	1,050,000	-	241,349	241,349	(808,651)
Total revenues	<u>1,520,000</u>	<u>-</u>	<u>955,117</u>	<u>955,117</u>	<u>(564,883)</u>
Expenditures:					
Professional services	836,000	-	435,877	435,877	400,123
General construction	46,026,000	-	19,481,265	19,481,265	26,544,735
Construction costs - other	947,000	-	416,768	416,768	530,232
Furniture, fixtures and equipment	920,900	-	-	-	920,900
Contingency	790,100	-	-	-	790,100
Debt service:					
Interest and fees	229,000	-	220,706	220,706	8,294
Total expenditures	<u>49,749,000</u>	<u>-</u>	<u>20,554,616</u>	<u>20,554,616</u>	<u>29,194,384</u>
Revenues over (under) expenditures	<u>(48,229,000)</u>	<u>-</u>	<u>(19,599,499)</u>	<u>(19,599,499)</u>	<u>28,629,501</u>
Other Financing Sources (Uses):					
Transfers from other funds	1,000,000	-	-	-	(1,000,000)
General obligation bonds premium	3,249,000	-	3,249,000	3,249,000	-
General obligation bonds issued	43,980,000	-	43,980,000	43,980,000	-
Total other financing sources (uses)	<u>48,229,000</u>	<u>-</u>	<u>47,229,000</u>	<u>47,229,000</u>	<u>(1,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>27,629,501</u>	<u>\$ 27,629,501</u>	<u>\$ 27,629,501</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 27,629,501</u>		

This page left blank intentionally.

COMBINING STATEMENTS FOR NONMAJOR FUNDS

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,952,644	\$ 10,296,046	\$ 12,248,690
Taxes receivable, net	91,271	-	91,271
Receivables, net	555,221	439,833	995,054
Restricted cash and cash equivalents	-	7,993,513	7,993,513
Total assets	<u>\$ 2,599,136</u>	<u>\$ 18,729,392</u>	<u>\$ 21,328,528</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 127,814</u>	<u>\$ 4,102,057</u>	<u>\$ 4,229,871</u>
Deferred Inflows of Resources:			
Prepaid property taxes	5,470	-	5,470
Unavailable revenues - property taxes	<u>91,271</u>	<u>-</u>	<u>91,271</u>
Total deferred inflows of resources	<u>96,741</u>	<u>-</u>	<u>96,741</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	840,281	4,963,106	5,803,387
Restricted for public safety	1,556,502	-	1,556,502
Restricted for school capital	-	7,993,513	7,993,513
Committed	-	2,637,673	2,637,673
Unassigned	<u>(22,202)</u>	<u>(966,957)</u>	<u>(989,159)</u>
Total fund balances (deficits)	<u>2,374,581</u>	<u>14,627,335</u>	<u>17,001,916</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,599,136</u>	<u>\$ 18,729,392</u>	<u>\$ 21,328,528</u>

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 9,567,995	\$ -	\$ 9,567,995
Restricted intergovernmental	3,724,784	-	3,724,784
Contributions	-	794,515	794,515
Sales and service	1,450,085	-	1,450,085
Investment earnings	54,980	501,115	556,095
Miscellaneous	32,035	458,607	490,642
Total revenues	<u>14,829,879</u>	<u>1,754,237</u>	<u>16,584,116</u>
Expenditures:			
Current:			
Public safety	12,465,774	18,613,507	31,079,281
Transportation	2,124,629	-	2,124,629
General government	-	1,530,321	1,530,321
Cultural and recreational	-	8,358	8,358
Intergovernmental:			
Education	-	6,425,445	6,425,445
Total expenditures	<u>14,590,403</u>	<u>26,577,631</u>	<u>41,168,034</u>
Revenues over (under) expenditures	<u>239,476</u>	<u>(24,823,394)</u>	<u>(24,583,918)</u>
Other Financing Sources (Uses):			
Transfers in	219,603	1,174,594	1,394,197
Transfers (out)	(1,147)	-	(1,147)
Total other financing sources (uses)	<u>218,456</u>	<u>1,174,594</u>	<u>1,393,050</u>
Net change in fund balances	457,932	(23,648,800)	(23,190,868)
Fund Balances:			
Beginning of year - July 1	<u>1,916,649</u>	<u>38,276,135</u>	<u>40,192,784</u>
End of year - June 30	<u>\$ 2,374,581</u>	<u>\$ 14,627,335</u>	<u>\$ 17,001,916</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

Emergency Telephone System Fund *accounts for the collection of monies to provide enhanced 911 services.*

Transportation Services Fund *accounts for the operations of the transportation services of the County.*

Fire District Fund *accounts for the ad valorem tax levies for the fire districts.*

Juvenile Crime Prevention Grant Fund *accounts for the revenues provided from the North Carolina Department of Correction Division of Community Corrections for the Criminal Justice Partnership Program.*

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

	Emergency Telephone System Fund	Transportation Services Fund	Fire District Fund
Assets:			
Cash and cash equivalents	\$ 59,847	\$ 286,508	\$ 1,557,795
Taxes receivable, net	-	-	91,271
Receivables, net	72,057	410,180	72,984
Total assets	<u>\$ 131,904</u>	<u>\$ 696,688</u>	<u>\$ 1,722,050</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	<u>\$ 82,049</u>	<u>\$ 21,048</u>	<u>\$ 21,199</u>
Deferred Inflows of Resources:			
Prepaid property taxes	-	-	5,470
Unavailable revenues - property taxes	-	-	91,271
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>96,741</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	72,057	675,640	92,584
Restricted for public safety	-	-	1,511,526
Unassigned	(22,202)	-	-
Total fund balances	<u>49,855</u>	<u>675,640</u>	<u>1,604,110</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 131,904</u>	<u>\$ 696,688</u>	<u>\$ 1,722,050</u>

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

	<u>Juvenile Crime Prevention Grant Fund</u>	<u>Total Nonmajor Special Revenue</u>
Assets:		
Cash and cash equivalents	\$ 48,494	\$ 1,952,644
Taxes receivable, net	-	91,271
Receivables, net	-	555,221
Total assets	<u>\$ 48,494</u>	<u>\$ 2,599,136</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	<u>\$ 3,518</u>	<u>\$ 127,814</u>
 Deferred Inflows of Resources:		
Prepaid property taxes	-	5,470
Unavailable revenues-property taxes	-	91,271
Total deferred inflows of resources	<u>-</u>	<u>96,741</u>
 Fund Balances:		
Restricted:		
Stabilization by state statute	-	840,281
Restricted for public safety	44,976	1,556,502
Unassigned	-	(22,202)
Total fund balances	<u>44,976</u>	<u>2,374,581</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,494</u>	<u>\$ 2,599,136</u>

IREDELL COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	Emergency Telephone System Fund	Transportation Services Fund	Fire District Fund
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ 9,567,995
Restricted intergovernmental	2,768,327	517,151	-
Sales and services	-	1,450,085	-
Investment earnings	426	4,855	49,699
Miscellaneous	-	32,035	-
Total revenues	<u>2,768,753</u>	<u>2,004,126</u>	<u>9,617,694</u>
Expenditures:			
Current:			
Public safety	2,781,365	-	9,231,452
Transportation	-	2,124,629	-
Total expenditures	<u>2,781,365</u>	<u>2,124,629</u>	<u>9,231,452</u>
Revenues over (under) expenditures	<u>(12,612)</u>	<u>(120,503)</u>	<u>386,242</u>
Other Financing Sources (Uses):			
Transfers in	-	-	195,103
Transfers (out)	-	(1,147)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,147)</u>	<u>195,103</u>
Net change in fund balances	(12,612)	(121,650)	581,345
Fund Balances:			
Beginning of year - July 1	<u>62,467</u>	<u>797,290</u>	<u>1,022,765</u>
End of year - June 30	<u>\$ 49,855</u>	<u>\$ 675,640</u>	<u>\$ 1,604,110</u>

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	Juvenile Crime Prevention Grant Fund	Total Nonmajor Special Revenue
Revenues:		
Ad valorem taxes	\$ -	\$ 9,567,995
Restricted intergovernmental	439,306	3,724,784
Sales and services	-	1,450,085
Investment earnings	-	54,980
Miscellaneous	-	32,035
Total revenues	<u>439,306</u>	<u>14,829,879</u>
Expenditures:		
Current:		
Public safety	452,957	12,465,774
Transportation	-	2,124,629
Total expenditures	<u>452,957</u>	<u>14,590,403</u>
Revenues over (under) expenditures	<u>(13,651)</u>	<u>239,476</u>
Other Financing Sources (Uses):		
Transfers in	24,500	219,603
Transfers (out)	-	(1,147)
Total other financing sources (uses)	<u>24,500</u>	<u>218,456</u>
Net change in fund balances	10,849	457,932
Fund Balances:		
Beginning of year - July 1	<u>34,127</u>	<u>1,916,649</u>
End of year - June 30	<u>\$ 44,976</u>	<u>\$ 2,374,581</u>

IREDELL COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses:				
Restricted Intergovernmental:				
Wireless 911 funds	\$ 689,585	\$ 626,847	\$ (62,738)	\$ 493,474
Mooreville PSAP allotment	103,290	103,290	-	19,440
Statesville PSAP allotment	100,910	100,910	-	-
E-911 Grant	2,361,230	1,937,280	(423,950)	-
Investment earnings	-	426	426	2,350
Total revenues	<u>3,255,015</u>	<u>2,768,753</u>	<u>(486,262)</u>	<u>515,264</u>
Expenditures:				
Public Safety:				
Wireless E911				
Capital outlay	244,619	62,513	182,106	-
Telephone	428,719	354,650	74,069	344,039
Software and software maintenance	81,538	66,210	15,328	49,229
Hardware and hardware maintenance	119,615	77,563	42,052	140,803
Training	17,879	15,017	2,862	7,482
Implemental function	63,932	63,932	-	41,400
Backup training	4,455	-	4,455	-
Professional services	174,876	-	174,876	-
Mooreville PSAP allotment	103,290	103,290	-	19,440
Statesville PSAP allotment	100,910	100,910	-	-
Others (Grant)	<u>1,937,280</u>	<u>1,937,280</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,277,113</u>	<u>2,781,365</u>	<u>495,748</u>	<u>602,393</u>
Revenues over (under) expenditures	(22,098)	(12,612)	9,486	(87,129)
Other Financing Sources (Uses):				
Appropriated fund balance	<u>22,098</u>	<u>-</u>	<u>(22,098)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,612)</u>	<u>\$ (12,612)</u>	<u>(87,129)</u>
Fund Balance:				
Beginning of year - July 1		<u>62,467</u>		<u>149,596</u>
End of year - June 30		<u>\$ 49,855</u>		<u>\$ 62,467</u>

PSAP RECONCILIATION
JUNE 30, 2019

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP revenue-expenditure report because:

Net change in fund balance, reported budget to actual	\$ (12,612)
Reconsideration funds not reported as expenditures in the PSAP revenue-expenditure report	<u>62,738</u>
Beginning balance, PSAP revenue-expenditure report	<u>62,467</u>
Ending balance, PSAP revenue-expenditure report	<u>\$ 112,593</u>

IREDELL COUNTY, NORTH CAROLINA

TRANSPORTATION SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted Intergovernmental:				
NC Department of Transportation				
Community Transportation	\$ 1,792,475	\$ 204,143	\$ (1,588,332)	\$ 473,556
Job Access Reverse Commute grant	60,000	83,236	23,236	53,974
Rural Operating Assistance Program grant:				
EDTAP	101,629	101,592	(37)	101,629
NCDOT WorkFirst	37,926	37,323	(603)	37,926
Rural general public	91,114	90,857	(257)	91,114
Sales and service:				
Urban 5307	300,000	175,381	(124,619)	155,636
Transportation fees	1,090,000	1,152,539	62,539	1,120,143
ED-5310 urban	75,000	87,483	12,483	75,249
ED-5310 capital	200,000	-	(200,000)	70,096
Other passenger fares	60,000	34,682	(25,318)	33,915
Investment earnings	5,000	4,855	(145)	6,383
Miscellaneous	95,000	32,035	(62,965)	30,320
Total revenues	<u>3,908,144</u>	<u>2,004,126</u>	<u>(1,904,018)</u>	<u>2,249,941</u>
Expenditures:				
Iredell County Area Transportation System:				
Salaries and employee benefits	1,995,047	1,559,084	435,963	1,424,601
Operating expenditures	658,625	418,296	240,329	415,705
Contracted services	188,370	134,105	54,265	126,747
Vehicles & licensed trailers	968,020	-	968,020	277,812
Capital outlay	175,589	13,144	162,445	-
Total expenditures	<u>3,985,651</u>	<u>2,124,629</u>	<u>1,861,022</u>	<u>2,244,865</u>
Revenues over (under) expenditures	<u>(77,507)</u>	<u>(120,503)</u>	<u>(42,996)</u>	<u>5,076</u>
Other Financing Sources (Uses):				
Appropriated fund balance	79,800	-	(79,800)	-
Transfer out to other funds	(2,293)	(1,147)	1,146	(2,293)
Total other financing sources (uses)	<u>77,507</u>	<u>(1,147)</u>	<u>(78,654)</u>	<u>(2,293)</u>
Net change in fund balance	<u>\$ -</u>	<u>(121,650)</u>	<u>\$ (121,650)</u>	<u>2,783</u>
Fund Balance:				
Beginning of year - July 1		<u>797,290</u>		<u>794,507</u>
End of year - June 30		<u>\$ 675,640</u>		<u>\$ 797,290</u>

IREDELL COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 9,349,484	\$ 9,521,966	\$ 172,482	\$ 9,233,055
Penalties and interest	44,810	46,029	1,219	42,187
Investment earnings	17,100	49,699	32,599	33,859
Total revenues	<u>9,411,394</u>	<u>9,617,694</u>	<u>206,300</u>	<u>9,309,101</u>
Expenditures:				
Public safety:				
Insurance and bonds	526,855	519,470	7,385	490,736
Contracted services	8,948,207	8,634,918	313,289	9,624,770
Operating expenditures	77,645	77,064	581	410,165
Water/sewer fire hydrants	150,000	-	150,000	-
Total expenditures	<u>9,702,707</u>	<u>9,231,452</u>	<u>471,255</u>	<u>10,525,671</u>
Revenues over (under) expenditures	<u>(291,313)</u>	<u>386,242</u>	<u>677,555</u>	<u>(1,216,570)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	96,208	-	(96,208)	-
Transfer from General Fund	195,105	195,103	(2)	417,425
Total other financing sources (uses)	<u>291,313</u>	<u>195,103</u>	<u>(96,210)</u>	<u>417,425</u>
Net change in fund balance	<u>\$ -</u>	<u>581,345</u>	<u>\$ 581,345</u>	<u>(799,145)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,022,765</u>		<u>1,821,910</u>
End of year - June 30		<u>\$ 1,604,110</u>		<u>\$ 1,022,765</u>

IREDELL COUNTY, NORTH CAROLINA

JUVENILE CRIME PREVENTION GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	<u>2019</u>			<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted Intergovernmental:				
Juvenile Crime Prevention grant	\$ 439,310	\$ 439,306	\$ (4)	\$ 386,864
Expenditures:				
Grants to other agencies	463,308	437,539	25,769	404,159
Salaries and employee benefits	5,735	5,750	(15)	5,496
Administration and training	9,767	9,668	99	9,255
Total expenditures	<u>478,810</u>	<u>452,957</u>	<u>25,853</u>	<u>418,910</u>
Revenues over (under) expenditures	<u>(39,500)</u>	<u>(13,651)</u>	<u>25,849</u>	<u>(32,046)</u>
Other Financing Sources (Uses):				
Transfer from other funds	24,500	24,500	-	24,500
Appropriated fund balance	15,000	-	(15,000)	-
Total other financing sources (uses)	<u>39,500</u>	<u>24,500</u>	<u>(15,000)</u>	<u>24,500</u>
Net change in fund balance	<u>\$ -</u>	<u>10,849</u>	<u>\$ 10,849</u>	<u>(7,546)</u>
Fund Balance:				
Beginning of year - July 1		<u>34,127</u>		<u>41,673</u>
End of year - June 30		<u>\$ 44,976</u>		<u>\$ 34,127</u>

This page left blank intentionally.

CAPITAL PROJECT FUNDS

Capital Project Funds account for funds to be used for the acquisition or construction of major capital facilities.

Individual Fund Descriptions:

Parks Capital Project Fund *accounts for funds to be used in future park expansion projects in the County.*

Facilities and Improvement Fund *accounts for the funds to be used for facility improvements to County buildings and grounds.*

Public Safety Complex Capital Project Fund *accounts for funds used in the construction of the County's public safety complex.*

Jennings Park Project Fund *accounts for the construction of Jennings Park in the northern part of the County.*

2016 GO Bonds NIHS/SIHS Project Fund *accounts for the renovations at two area High Schools.*

Jail Expansion Project *accounts for funds used in the renovation/construction of the jail.*

Mooresville High School Project *accounts for funds used in the renovation/construction of a local high school.*

2018 GO Bonds MCC Project Fund *accounts for the renovations at Mitchell Community College.*

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Parks Capital Project Fund	Facilities Improvement Fund	Public Safety Complex Capital Project Fund	Jennings Park Project
Assets:				
Cash and cash equivalents	\$ 9,584	\$ 819,221	\$ 2,426,344	\$ 2,892
Receivables (net)	-	4,617	124,864	-
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 9,584</u>	<u>\$ 823,838</u>	<u>\$ 2,551,208</u>	<u>\$ 2,892</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,716</u>	<u>\$ -</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	115,488	1,127,341	-
Restricted for school capital	-	-	-	-
Committed	9,584	708,350	1,091,151	2,892
Unassigned	-	-	-	-
Total fund balances	<u>9,584</u>	<u>823,838</u>	<u>2,218,492</u>	<u>2,892</u>
Total liabilities and fund balances	<u>\$ 9,584</u>	<u>\$ 823,838</u>	<u>\$ 2,551,208</u>	<u>\$ 2,892</u>

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	2016 GO Bonds NIHS/SIHS Project	Jail Expansion Project	Mooreville High School Project	2018 GO Bonds MCC Project	Nonmajor Capital Project Totals
Assets:					
Cash and cash equivalents	\$ 760,361	\$ 5,271,832	\$ 1,005,812	\$ -	\$ 10,296,046
Receivables (net)	20,330	285,975	4,047	-	439,833
Restricted cash and cash equivalents	-	-	-	7,993,513	7,993,513
Total assets	<u>\$ 780,691</u>	<u>\$ 5,557,807</u>	<u>\$ 1,009,859</u>	<u>\$ 7,993,513</u>	<u>\$ 18,729,392</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 1,796,572	\$ 1,006,671	\$ 966,098	\$ 4,102,057
Fund Balances:					
Restricted:					
Stabilization by state statute	20,330	3,695,900	4,047	-	4,963,106
Restricted for school capital	-	-	-	7,993,513	7,993,513
Committed	760,361	65,335	-	-	2,637,673
Unassigned	-	-	(859)	(966,098)	(966,957)
Total fund balances	<u>780,691</u>	<u>3,761,235</u>	<u>3,188</u>	<u>7,027,415</u>	<u>14,627,335</u>
Total liabilities and fund balances	<u>\$ 780,691</u>	<u>\$ 5,557,807</u>	<u>\$ 1,009,859</u>	<u>\$ 7,993,513</u>	<u>\$ 18,729,392</u>

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Parks Capital Project Fund	Facilities Improvement Fund	Public Safety Complex Capital Project Fund	Jennings Park Project
Revenues:				
Contributions	\$ -	\$ -	\$ -	\$ -
Investment earnings	54	-	79,489	169
Miscellaneous	9,530	4,617	140,401	-
Total revenues	9,584	4,617	219,890	169
Expenditures:				
Current:				
General government	-	1,530,321	-	-
Culture and recreation	-	-	-	8,358
Public safety	-	160,818	4,988,304	-
Education	-	-	-	-
Total expenditures	-	1,691,139	4,988,304	8,358
Revenues over (under) expenditures	9,584	(1,686,522)	(4,768,414)	(8,189)
Other Financing Sources (Uses):				
Transfers from other funds	-	457,000	125,000	-
Net change in fund balances	9,584	(1,229,522)	(4,643,414)	(8,189)
Fund Balances:				
Beginning of year - July 1	-	2,053,360	6,861,906	11,081
End of year - June 30	\$ 9,584	\$ 823,838	\$ 2,218,492	\$ 2,892

IREDELL COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	2016 GO Bonds NIHS/SIHS Project	Jail Expansion Project	Morresville High School Project	2018 GO Bonds MCC Project	Nonmajor Capital Project Totals
Revenues:					
Contributions	\$ -	\$ -	\$ 794,515	\$ -	\$ 794,515
Investment earnings	3,079	205,677	-	212,647	501,115
Miscellaneous	14,669	285,975	3,415	-	458,607
Total revenues	<u>17,748</u>	<u>491,652</u>	<u>797,930</u>	<u>212,647</u>	<u>1,754,237</u>
Expenditures:					
Current:					
General government	-	-	-	-	1,530,321
Cultural and recreational	-	-	-	-	8,358
Public safety	-	13,464,385	-	-	18,613,507
Education	<u>1,256,789</u>	<u>-</u>	<u>1,142,857</u>	<u>4,025,799</u>	<u>6,425,445</u>
Total expenditures	<u>1,256,789</u>	<u>13,464,385</u>	<u>1,142,857</u>	<u>4,025,799</u>	<u>26,577,631</u>
Revenues over (under) expenditures	(1,239,041)	(12,972,733)	(344,927)	(3,813,152)	(24,823,394)
Other Financing Sources (Uses):					
Transfers from other funds	<u>-</u>	<u>592,594</u>	<u>-</u>	<u>-</u>	<u>1,174,594</u>
Net change in fund balances	(1,239,041)	(12,380,139)	(344,927)	(3,813,152)	(23,648,800)
Fund Balances:					
Beginning of year - July 1	<u>2,019,732</u>	<u>16,141,374</u>	<u>348,115</u>	<u>10,840,567</u>	<u>38,276,135</u>
End of year - June 30	<u>\$ 780,691</u>	<u>\$ 3,761,235</u>	<u>\$ 3,188</u>	<u>\$ 7,027,415</u>	<u>\$ 14,627,335</u>

IREDELL COUNTY, NORTH CAROLINA

PARKS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Rec-Stumpy Creek launch fee	\$ 40,400	\$ 43,718	\$ 9,530	\$ 53,248	\$ 12,848
Investment earnings	6,000	7,161	54	7,215	1,215
Total revenues	<u>46,400</u>	<u>50,879</u>	<u>9,584</u>	<u>60,463</u>	<u>14,063</u>
Revenues over (under) expenditures	<u>46,400</u>	<u>50,879</u>	<u>9,584</u>	<u>60,463</u>	<u>14,063</u>
Other Financing Sources (Uses):					
Transfers (to) General Fund	(670,410)	(649,890)	-	(649,890)	20,520
Transfers (to) Scotts Rosenwald Park Fund	(127,650)	(127,650)	-	(127,650)	-
Transfers (to) from General Fund	<u>751,660</u>	<u>726,661</u>	-	<u>726,661</u>	<u>(24,999)</u>
Total other financing sources (uses)	<u>(46,400)</u>	<u>(50,879)</u>	<u>-</u>	<u>(50,879)</u>	<u>(4,479)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,584	<u>\$ 9,584</u>	<u>\$ 9,584</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 9,584</u>		

IREDELL COUNTY, NORTH CAROLINA

FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted Intergovernmental:					
Sales tax refund	\$ -	\$ 14,997	\$ 4,617	\$ 19,614	\$ 19,614
Expenditures:					
Parking projects	514,359	218,110	1,000	219,110	295,249
Roofing projects	1,129,929	1,055,598	4,044	1,059,642	70,287
Painting projects	493,600	314,231	91,092	405,323	88,277
Carpet projects	404,488	363,253	24,024	387,277	17,211
Indoor facility repairs	844,508	315,043	307,060	622,103	222,405
Outdoor facility repairs	243,914	116,947	34,375	151,322	92,592
New construction	30,854	30,849	-	30,849	5
Property improvements	1,447,208	164,394	1,222,467	1,386,861	60,347
Asbestos removal	20,000	12,175	-	12,175	7,825
Elevator repair	155,012	75,012	-	75,012	80,000
Assets purchased	97,783	97,778	-	97,778	5
Professional services	40,000	32,902	7,077	39,979	21
Total expenditures	5,421,655	2,796,292	1,691,139	4,487,431	934,224
Revenues over (under) expenditures	(5,421,655)	(2,781,295)	(1,686,522)	(4,467,817)	953,838
Other Financing Sources (Uses):					
Transfers from other funds	5,514,200	4,927,200	457,000	5,384,200	(130,000)
Transfers (to) other funds	(92,545)	(92,545)	-	(92,545)	-
Total other financing sources (uses)	5,421,655	4,834,655	457,000	5,291,655	(130,000)
Net change in fund balance	\$ -	\$ 2,053,360	(1,229,522)	\$ 823,838	\$ 823,838
Fund Balance:					
Beginning of year - July 1			2,053,360		
End of year - June 30			\$ 823,838		

IREDELL COUNTY, NORTH CAROLINA

PUBLIC SAFETY COMPLEX CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues					
Restricted Intergovernmental:					
Sales tax refund	\$ 75,730	\$ 138,448	\$ 124,864	\$ 263,312	\$ 187,582
Investment earnings	104,398	143,402	79,489	222,891	118,493
Miscellaneous	15,733	-	15,537	15,537	(196)
Total revenues	<u>195,861</u>	<u>281,850</u>	<u>219,890</u>	<u>501,740</u>	<u>305,879</u>
Expenditures:					
Professional services	452,928	234,699	88,672	323,371	129,557
Design and construction	14,540,987	9,967,615	4,283,259	14,250,874	290,113
Construction costs - other	17,000	-	15,962	15,962	1,038
Land & land improvements	325,870	325,868	-	325,868	2
Salaries and benefits	167,227	75,413	41,585	116,998	50,229
Other costs	1,585,875	376	558,826	559,202	1,026,673
Contingency	415,000	-	-	-	415,000
Debt service:					
Interest and fees	47,613	47,612	-	47,612	1
Total expenditures	<u>17,552,500</u>	<u>10,651,583</u>	<u>4,988,304</u>	<u>15,639,887</u>	<u>1,912,613</u>
Revenues over (under) expenditures	<u>(17,356,639)</u>	<u>(10,369,733)</u>	<u>(4,768,414)</u>	<u>(15,138,147)</u>	<u>2,218,492</u>
Other Financing Sources (Uses):					
Transfers from other funds	9,830,464	9,705,464	125,000	9,830,464	-
Transfers to other funds	(3,473,825)	(3,473,825)	-	(3,473,825)	-
Debt obligation issued	11,000,000	11,000,000	-	11,000,000	-
Total other financing sources (uses)	<u>17,356,639</u>	<u>17,231,639</u>	<u>125,000</u>	<u>17,356,639</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,861,906</u>	<u>(4,643,414)</u>	<u>\$ 2,218,492</u>	<u>\$ 2,218,492</u>
Fund Balance:					
Beginning of year - July 1			<u>6,861,906</u>		
End of year - June 30			<u>\$ 2,218,492</u>		

IREDELL COUNTY, NORTH CAROLINA

JENNINGS PARK PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted Intergovernmental:					
DENR PARTF grant	\$ 419,718	\$ -	\$ -	\$ -	\$ (419,718)
Donations	388,800	388,800	-	388,800	-
Property sales	406,200	436,351	-	436,351	30,151
Investment earnings	-	867	169	1,036	1,036
Total revenues	<u>1,214,718</u>	<u>826,018</u>	<u>169</u>	<u>826,187</u>	<u>(388,531)</u>
Expenditures:					
Professional services, other	13,788	13,231	-	13,231	557
Land and land improvements	798,300	798,254	-	798,254	46
Park	<u>441,930</u>	<u>38,432</u>	<u>8,358</u>	<u>46,790</u>	<u>395,140</u>
Total expenditures	<u>1,254,018</u>	<u>849,917</u>	<u>8,358</u>	<u>858,275</u>	<u>395,743</u>
Revenues over (under) expenditures	(39,300)	(23,899)	(8,189)	(32,088)	7,212
Other Financing Sources (Uses):					
Transfers from Parks Reserve Fund	<u>39,300</u>	<u>34,980</u>	<u>-</u>	<u>34,980</u>	<u>(4,320)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,081</u>	<u>(8,189)</u>	<u>\$ 2,892</u>	<u>\$ 2,892</u>
Fund Balance:					
Beginning of year - July 1			<u>11,081</u>		
End of year - June 30			<u>\$ 2,892</u>		

IREDELL COUNTY, NORTH CAROLINA

2016 GO BOND NIHS/SIHS PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
Investment earnings	\$ 182,853	\$ 180,992	\$ 3,079	\$ 184,071	\$ 1,218
Sales tax refund	393,063	390,675	14,669	405,344	12,281
Lottery proceeds	184,901	184,901	-	184,901	-
Total revenues	<u>760,817</u>	<u>756,568</u>	<u>17,748</u>	<u>774,316</u>	<u>13,499</u>
Expenditures:					
Professional services	1,215,452	1,181,470	20,514	1,201,984	13,468
Design and construction	18,281,151	16,473,820	1,150,375	17,624,195	656,956
Construction costs - other	154,343	125,044	29,298	154,342	1
Furniture and equipment	821,915	668,539	56,602	725,141	96,774
Debt service:					
Interest and fees	150,351	150,350	-	150,350	1
Total expenditures	<u>20,623,212</u>	<u>18,599,223</u>	<u>1,256,789</u>	<u>19,856,012</u>	<u>767,200</u>
Revenues over (under) expenditures	<u>(19,862,395)</u>	<u>(17,842,655)</u>	<u>(1,239,041)</u>	<u>(19,081,696)</u>	<u>780,699</u>
Other Financing Sources (Uses):					
Transfers from other funds	705,085	705,085	-	705,085	-
General obligation bonds premium	1,552,310	1,552,302	-	1,552,302	(8)
General obligation bonds issued	17,605,000	17,605,000	-	17,605,000	-
Total other financing sources (uses)	<u>19,862,395</u>	<u>19,862,387</u>	<u>-</u>	<u>19,862,387</u>	<u>(8)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,019,732</u>	<u>(1,239,041)</u>	<u>\$ 780,691</u>	<u>\$ 780,691</u>
Fund Balance:					
Beginning of year - July 1			<u>2,019,732</u>		
End of year - June 30			<u>\$ 780,691</u>		

IREDELL COUNTY, NORTH CAROLINA

JAIL EXPANSION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted Intergovernmental:					
Sales tax refund	\$ -	\$ 169,220	\$ 285,975	\$ 455,195	\$ 455,195
Investment earnings	387,061	452,471	205,677	658,148	271,087
Total revenues	<u>387,061</u>	<u>621,691</u>	<u>491,652</u>	<u>1,113,343</u>	<u>726,282</u>
Expenditures:					
Interest expense	-	501	-	501	(501)
Professional services	1,836,704	1,460,225	260,850	1,721,075	115,629
Design and construction	26,121,899	11,368,863	12,976,548	24,345,411	1,776,488
Construction costs, other	465,626	100,193	88,922	189,115	276,511
Salaries and benefits	249,336	113,715	62,378	176,093	73,243
Furniture & equipment	462,400	-	75,687	75,687	386,713
Contingency	406,870	-	-	-	406,870
Total expenditures	<u>29,542,835</u>	<u>13,043,497</u>	<u>13,464,385</u>	<u>26,507,882</u>	<u>3,034,953</u>
Revenues over (under) expenditures	(29,155,774)	(12,421,806)	(12,972,733)	(25,394,539)	3,761,235
Other Financing Sources (Uses):					
Transfers from other funds	<u>29,155,774</u>	<u>28,563,180</u>	<u>592,594</u>	<u>29,155,774</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,141,374</u>	<u>(12,380,139)</u>	<u>\$ 3,761,235</u>	<u>\$ 3,761,235</u>
Fund Balance:					
Beginning of year - July 1			<u>16,141,374</u>		
End of year - June 30			<u>\$ 3,761,235</u>		

IREDELL COUNTY, NORTH CAROLINA

MOORESVILLE HIGH SCHOOL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted Intergovernmental:					
Public school building capital funds	\$ 344,000	\$ 344,000	\$ -	\$ 344,000	\$ -
Lottery proceeds	2,161,170	2,161,171	-	2,161,171	1
Contributions	2,890,950	2,096,435	794,515	2,890,950	-
Sales tax refunds	626,643	625,858	3,415	629,273	2,630
Investment earnings	118,773	118,774	-	118,774	1
Total revenues	<u>6,141,536</u>	<u>5,346,238</u>	<u>797,930</u>	<u>6,144,168</u>	<u>2,632</u>
Expenditures:					
Professional services	2,329,864	2,329,864	-	2,329,864	-
Construction costs	42,795,451	41,669,906	1,125,545	42,795,451	-
Other costs	1,215,247	1,197,379	17,312	1,214,691	556
Total expenditures	<u>46,340,562</u>	<u>45,197,149</u>	<u>1,142,857</u>	<u>46,340,006</u>	<u>556</u>
Revenues over (under) expenditures	<u>(40,199,026)</u>	<u>(39,850,911)</u>	<u>(344,927)</u>	<u>(40,195,838)</u>	<u>3,188</u>
Other Financing Sources (Uses):					
General obligation bonds issued	40,199,026	36,825,000	-	36,825,000	(3,374,026)
General obligation bonds premium	-	3,374,026	-	3,374,026	3,374,026
Total other financing sources (uses)	<u>40,199,026</u>	<u>40,199,026</u>	<u>-</u>	<u>40,199,026</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 348,115</u>	<u>(344,927)</u>	<u>\$ 3,188</u>	<u>\$ 3,188</u>
Fund Balance:					
Beginning of year - July 1			<u>348,115</u>		
End of year - June 30			<u>\$ 3,188</u>		

IREDELL COUNTY, NORTH CAROLINA

2018 GO BOND MCC PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted Intergovernmental:					
Investment earnings	\$ -	\$ 6,467	\$ 212,647	\$ 219,114	\$ 219,114
Expenditures:					
Professional services	914,000	648,320	171,530	819,850	94,150
Design and construction	8,326,250	520,000	3,785,024	4,305,024	4,021,226
Construction costs - other	175,000	9,290	64,249	73,539	101,461
Furniture and equipment	1,713,702	-	-	-	1,713,702
Contingency	351,048	-	-	-	351,048
Debt service:					
Interest and fees	203,549	191,839	4,996	196,835	6,714
Total expenditures	<u>11,683,549</u>	<u>1,369,449</u>	<u>4,025,799</u>	<u>5,395,248</u>	<u>6,288,301</u>
Revenues over (under) expenditures	<u>(11,683,549)</u>	<u>(1,362,982)</u>	<u>(3,813,152)</u>	<u>(5,176,134)</u>	<u>6,507,415</u>
Other Financing Sources (Uses):					
Transfers to other funds	(520,000)	-	-	-	(520,000)
General obligation bonds premium	1,552,310	743,549	-	743,549	(808,761)
General obligation bonds issued	<u>10,651,239</u>	<u>11,460,000</u>	<u>-</u>	<u>11,460,000</u>	<u>808,761</u>
Total other financing sources (uses)	<u>11,683,549</u>	<u>12,203,549</u>	<u>-</u>	<u>12,203,549</u>	<u>(520,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,840,567</u>	<u>(3,813,152)</u>	<u>\$ 7,027,415</u>	<u>\$ 7,027,415</u>
Fund Balance:					
Beginning of year - July 1			<u>10,840,567</u>		
End of year - June 30			<u>\$ 7,027,415</u>		

This page left blank intentionally.

ENTERPRISE FUNDS

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

Individual Fund Descriptions:

The Solid Waste Disposal Facility Fund *is used to account for the County's operation, maintenance, and development of various landfills and disposal sites.*

The EMS Special Services Fund *is used to account for the County's operation of convalescent transports for Emergency Medical Services.*

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE DISPOSAL FACILITY
SCHEDULE OF REVENUES AND EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Tipping fees	\$ 4,290,278	\$ 5,022,151	\$ 731,873	\$ 4,475,219
Availability fees	3,811,000	3,932,285	121,285	3,856,469
Tire disposal fees and reimbursements	238,500	270,794	32,294	248,775
Mooreville transportation fees	168,200	189,476	21,276	163,417
Recycling sales	99,185	130,228	31,043	157,333
Landfill gas	270,000	270,504	504	254,344
NC disposal tax	75,200	99,052	23,852	86,920
White goods sales	93,000	129,490	36,490	158,157
Scrap metal sales	95,880	157,663	61,783	167,118
Miscellaneous	52,900	75,989	23,089	67,559
Total operating revenues	<u>9,194,143</u>	<u>10,277,632</u>	<u>1,083,489</u>	<u>9,635,311</u>
Non-operating revenues:				
Federal and state grants	79,106	19,070	(60,036)	20,399
Interest on investments	150,000	678,339	528,339	418,288
Non-operating miscellaneous	-	138,641	138,641	6,627
Total non-operating revenues	<u>229,106</u>	<u>836,050</u>	<u>606,944</u>	<u>445,314</u>
Total revenues	<u>9,423,249</u>	<u>11,113,682</u>	<u>1,690,433</u>	<u>10,080,625</u>
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	2,991,347	2,811,791	179,556	2,723,932
Professional services	1,988,465	1,113,765	874,700	1,054,757
Maintenance and repairs	1,519,399	750,830	768,569	493,294
Operating expenses	2,096,351	1,028,170	1,068,181	916,860
Capital outlay	3,091,036	1,573,853	1,517,183	577,981
Total operating expenditures	<u>11,686,598</u>	<u>7,278,409</u>	<u>4,408,189</u>	<u>5,766,824</u>
Non-operating expenditures:				
Debt principal payment	232,000	232,000	-	250,000
Debt interest payment	107,360	106,423	937	124,945
Total non-operating expenditures	<u>339,360</u>	<u>338,423</u>	<u>937</u>	<u>374,945</u>
Total expenditures	<u>12,025,958</u>	<u>7,616,832</u>	<u>4,409,126</u>	<u>6,141,769</u>

IREDELL COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE DISPOSAL FACILITY
SCHEDULE OF REVENUES AND EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	<u>(2,602,709)</u>	<u>3,496,850</u>	<u>6,099,559</u>	<u>3,938,856</u>
Other Financing Sources (Uses):				
Transfer from other funds	-	1,147	1,147	2,293
Intrafund transfer	(8,030,441)	-	8,030,441	-
Appropriated fund balance	<u>10,633,150</u>	<u>-</u>	<u>(10,633,150)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,602,709</u>	<u>1,147</u>	<u>(2,601,562)</u>	<u>2,293</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,497,997</u>	<u>\$ 3,497,997</u>	<u>\$ 3,941,149</u>

**Reconciliation from Budgetary Basis (Modified Accrual)
to Full Accrual Basis:**

Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 3,497,997</u>
---------------------------------------------------------------------------------------------	---------------------

Reconciling Items:

Capital outlay	1,573,853
Principal retirement	232,000
Depreciation	(1,568,107)
Change in deferred outflows - pension	53,545
Change in net pension liability	(65,348)
Change in deferred inflows - pension	166
Pension expense	11,637
Change in deferred outflows - OPEB	31,600
Change in total OPEB liability	(1,420)
Change in deferred inflows - OPEB	(18,065)
Change in compensated absences	(4,540)
Change in accrued interest payable	967
Change in closure and post-closure costs accrued	(493,566)
Deferred charges amortization	(16,692)
Bond premium amortization	<u>43,210</u>
Total reconciling items	<u>(220,760)</u>
Change in net position	<u>\$ 3,277,237</u>

IREDELL COUNTY, NORTH CAROLINA

PHASE IV CONSTRUCTION AND LAND PURCHASE
 SCHEDULE OF REVENUES AND EXPENDITURES, AND OTHER FINANCING
 SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Miscellaneous	\$ 3,006	\$ 11,601	\$ -	\$ 11,601	\$ 8,595
Investment earnings	64,232	66,101	-	66,101	1,869
Total revenues	67,238	77,702	-	77,702	10,464
Expenditures:					
Capital Projects:					
Professional services	891,438	914,415	-	914,415	(22,977)
Financing costs	42,152	44,021	-	44,021	(1,869)
Project costs - other	32,222	7,222	-	7,222	25,000
General construction	14,281,437	6,432,809	-	6,432,809	7,848,628
Land purchase	2,853,547	2,853,547	-	2,853,547	-
Contingency	592,432	-	-	-	592,432
Total expenditures	18,693,228	10,252,014	-	10,252,014	8,441,214
Revenues over (under) expenditures	(18,625,990)	(10,174,312)	-	(10,174,312)	8,451,678
Other Financing Sources (Uses):					
Transfers from other funds	14,604,588	5,884,930	-	5,884,930	(8,719,658)
Transfers to other funds	(478,598)	-	-	-	478,598
Proceeds from special obligation					
Special obligation bonds issued	4,500,000	4,500,000	-	4,500,000	-
Total other financing sources (uses)	18,625,990	10,384,930	-	10,384,930	(8,241,060)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 210,618	\$ -	\$ 210,618	\$ 210,618

IREDELL COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - EMS SPECIAL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Convalescent transport fees	\$ 1,163,598	\$ 1,467,761	\$ 304,163	\$ 1,261,228
Non-operating revenues:				
Interest on investments	-	31,572	31,572	18,644
Non-operating miscellaneous	500	1,835	1,335	-
Total non-operating revenues	500	33,407	32,907	18,644
Total revenues	1,164,098	1,501,168	337,070	1,279,872
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	834,410	777,018	57,392	670,320
Professional services	105,811	102,234	3,577	90,327
Maintenance and repairs	42,299	45,406	(3,107)	23,536
Operating expenses	281,294	229,613	51,681	205,039
Capital outlay	25,145	-	25,145	54,973
Total expenditures	1,288,959	1,154,271	134,688	1,044,195
Revenues over (under) expenditures	(124,861)	346,897	471,758	235,677
Other Financing Sources (Uses)				
Transfer to General Fund	(125,000)	(125,000)	-	(125,000)
Appropriated fund balance	249,861	-	(249,861)	-
Total other financing sources (uses)	124,861	(125,000)	(249,861)	(125,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 221,897	\$ 221,897	\$ 110,677

IREDELL COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - EMS SPECIAL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2019</u>			<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 221,897		
Reconciling Items:				
Depreciation		(121,650)		
Change in deferred outflows - pension		53,545		
Change in net pension liability		(65,348)		
Change in deferred inflows - pension		2,542		
Pension expense		9,261		
Change in deferred outflows - OPEB		7,899		
Change in total OPEB liability		(355)		
Change in deferred inflows - OPEB		(4,516)		
Change in compensated absences		(10,326)		
Total reconciling items		(128,948)		
Change in net position		\$ 92,949		

This page left blank intentionally.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services to other County funds and departments on a cost-reimbursement basis. The County maintains three internal service funds as follows:

Individual Fund Descriptions:

The Employee Healthcare Benefits Fund *is used to account for the revenues and expenses of the County's group health plan.*

The Workers' Compensation Benefits Fund *is used to account for the revenues and expenses of the County's self-insured worker's compensation program that includes administration, stop loss insurance, and benefits paid.*

The Property & Liability Fund *is used to account for the revenues and expenses of the County's property and liability insurance.*

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA**COMBINING STATEMENT OF NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	Employee Healthcare Benefits Fund	Workers' Compensation Benefits Fund	Property and Liability Insurance Fund	Total
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 3,991,842	\$ 632,993	\$ 432,455	\$ 5,057,290
Accounts receivable	<u>4,833</u>	<u>-</u>	<u>-</u>	<u>4,833</u>
Total assets	<u>3,996,675</u>	<u>632,993</u>	<u>432,455</u>	<u>5,062,123</u>
Liabilities and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	<u>678,085</u>	<u>-</u>	<u>-</u>	<u>678,085</u>
Net Position:				
Net position - unrestricted	<u>\$ 3,318,590</u>	<u>\$ 632,993</u>	<u>\$ 432,455</u>	<u>\$ 4,384,038</u>

IREDELL COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Employee Healthcare Benefits Fund	Workers' Compensation Benefits Fund	Property and Liability Insurance Fund	Total
Operating Revenues:				
Contributions from employer	\$ 9,038,931	\$ 1,017,686	\$ 938,260	\$ 10,994,877
Contributions from employees	2,350,586	-	-	2,350,586
Stop/loss claims payments	54,665	-	-	54,665
Non-employee charges	25,375	-	-	25,375
Miscellaneous	615	-	-	615
Total operating revenues	<u>11,470,172</u>	<u>1,017,686</u>	<u>938,260</u>	<u>13,426,118</u>
Operating Expenses:				
Health insurance claims paid	9,243,207	-	-	9,243,207
Claims administration expenses	603,129	-	-	603,129
Property and liability insurance premiums	-	-	778,706	778,706
Stop/loss insurance premium	1,238,970	-	-	1,238,970
Employee life insurance premiums	199,913	-	-	199,913
Wellness incentives	388,675	-	-	388,675
Funded reserve	-	-	153,895	153,895
Workers' compensation claims	-	674,068	-	674,068
Miscellaneous	-	495	-	495
Total operating expenses	<u>11,673,894</u>	<u>674,563</u>	<u>932,601</u>	<u>13,281,058</u>
Operating income (loss)	(203,722)	343,123	5,659	145,060
Non-Operating Revenues:				
Investment earnings	<u>83,184</u>	<u>6,995</u>	<u>3,165</u>	<u>93,344</u>
Change in net position	(120,538)	350,118	8,824	238,404
Net Position:				
Beginning of year - July 1	<u>3,439,128</u>	<u>282,875</u>	<u>423,631</u>	<u>4,145,634</u>
End of year - June 30	<u>\$ 3,318,590</u>	<u>\$ 632,993</u>	<u>\$ 432,455</u>	<u>\$ 4,384,038</u>

IREDELL COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Employee Healthcare Benefits Fund	Workers' Compensation Benefits Fund	Property and Liability Insurance Fund	Total
Cash Flows from Operating Activities:				
Cash received from interfund services	\$ 12,246,254	\$ 1,017,686	\$ 938,260	\$ 14,202,200
Cash paid for goods and services	(12,041,553)	(683,486)	(946,808)	(13,671,847)
Net cash provided (used) by operating activities	<u>204,701</u>	<u>334,200</u>	<u>(8,548)</u>	<u>530,353</u>
Cash Flows from Investing Activities:				
Investment earnings	<u>83,184</u>	<u>6,995</u>	<u>3,165</u>	<u>93,344</u>
Net increase (decrease) in cash and cash equivalents	287,885	341,195	(5,383)	623,697
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>3,703,957</u>	<u>291,798</u>	<u>437,838</u>	<u>4,433,593</u>
End of year - June 30	<u><u>\$ 3,991,842</u></u>	<u><u>\$ 632,993</u></u>	<u><u>\$ 432,455</u></u>	<u><u>\$ 5,057,290</u></u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Net operating income (loss)	<u>\$ (203,722)</u>	<u>\$ 343,123</u>	<u>\$ 5,659</u>	<u>\$ 145,060</u>
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating activities:				
(Increase) decrease in operating accounts receivable	776,082	-	-	776,082
Increase (decrease) in operating accounts payable and accrued liabilities	<u>(367,659)</u>	<u>(8,923)</u>	<u>(14,207)</u>	<u>(390,789)</u>
Total adjustments	<u>408,423</u>	<u>(8,923)</u>	<u>(14,207)</u>	<u>385,293</u>
Net cash provided (used) by operating activities	<u><u>\$ 204,701</u></u>	<u><u>\$ 334,200</u></u>	<u><u>\$ (8,548)</u></u>	<u><u>\$ 530,353</u></u>

IREDELL COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND
EMPLOYEE HEALTHCARE BENEFITS
SCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

	Financial Plan	Actual	Variance Over/Under
Operating Revenues:			
Contributions from employer	\$ 9,300,620	\$ 9,038,931	\$ (261,689)
Contributions from employees	2,342,960	2,350,586	7,626
Stop/loss claims payments	719,000	54,665	(664,335)
Non-employee charges	18,500	25,375	6,875
Miscellaneous	-	615	615
Total operating revenues	<u>12,381,080</u>	<u>11,470,172</u>	<u>(910,908)</u>
Operating Expenditures:			
Health insurance claims paid	9,713,348	9,610,866	102,482
Claims administration	716,874	603,129	113,745
Stop/loss insurance premium	1,406,100	1,238,970	167,130
Employee life insurance premiums	180,000	199,913	(19,913)
Wellness program	<u>753,377</u>	<u>388,675</u>	<u>364,702</u>
Total operating expenditures	<u>12,769,699</u>	<u>12,041,553</u>	<u>728,146</u>
Operating income (loss)	<u>(388,619)</u>	<u>(571,381)</u>	<u>(182,762)</u>
Non-Operating Revenues:			
Investment earnings	<u>15,000</u>	<u>83,184</u>	<u>68,184</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>373,619</u>	<u>-</u>	<u>(373,619)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(488,197)</u>	<u>\$ (488,197)</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
(Increase) decrease in estimated benefits incurred but not reported		<u>367,659</u>	
Change in net position		<u>\$ (120,538)</u>	

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

IREDELL COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND
WORKERS' COMPENSATION BENEFITS
SCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

	Financial Plan	Actual	Variance Over/Under
Operating Revenues:			
Contributions from employer	\$ 1,017,250	\$ 1,017,686	\$ 436
Operating Expenditures:			
Workers' compensation claims	767,750	682,991	84,759
Indemnity payments	250,000	-	250,000
Other operating expenditures	500	495	5
Total operating expenditures	1,018,250	683,486	334,764
Operating income (loss)	(1,000)	334,200	335,200
Non-Operating Revenues:			
Investment earnings	1,000	6,995	5,995
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	341,195	\$ 341,195
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
(Increase) decrease in estimated benefits incurred but not reported		8,923	
Change in net position		\$ 350,118	

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

IREDELL COUNTY, NORTH CAROLINA**INTERNAL SERVICE FUND****PROPERTY AND LIABILITY INSURANCE FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****FINANCIAL PLAN AND ACTUAL (NON-GAAP)****FOR THE YEAR ENDED JUNE 30, 2019**

	Financial Plan	Actual	Variance Over/Under
Operating Revenues:			
Contributions from employer	\$ 935,555	\$ 938,260	\$ 2,705
Operating Expenditures:			
Property and liability insurance premiums	835,855	778,706	57,149
Funded reserve	90,000	153,895	(63,895)
Miscellaneous	10,000	-	10,000
Total operating expenditures	935,855	932,601	3,254
Operating income (loss)	(300)	5,659	5,959
Non-Operating Revenues:			
Investment earnings	300	3,165	2,865
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	8,824	\$ 8,824
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
None		-	
Change in net position		\$ 8,824	

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

AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

Individual Fund Descriptions:

Agency Funds

Fines and Forfeitures Fund *accounts for monies collected by the Clerk of Court for the benefit of the Boards of Education located within Iredell County.*

Sheriff's Agency Fund *accounts for monies collected for tax warrants and judgments.*

Employee Flex Benefits Account Fund *accounts for monies withheld and remitted on behalf of employees.*

DSS Guardianship Funds *accounts for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent.*

Cooperative Extension Agency Fund *accounts for monies held by the County on behalf of the Cooperative Extension.*

Inspection Bonds Fund *accounts for monies collected from developers for work to be performed as required by the Inspections Department.*

Municipal Tax Collections Fund *accounts for monies collected from ad valorem taxes for the benefit of municipalities located in the County.*

Gross Receipts Tax Collections Fund *accounts for monies collected from gross receipts taxes for the benefit of municipalities located in the County.*

Register of Deeds Collection Fund *accounts for \$6.20 of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage.*

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ <u>-</u>	\$ <u>1,048,865</u>	\$ <u>1,048,865</u>	\$ <u>-</u>
Liabilities:				
Accounts payable	\$ <u>-</u>	\$ <u>1,048,865</u>	\$ <u>1,048,865</u>	\$ <u>-</u>
Sheriff's Agency Fund:				
Assets:				
Cash and cash equivalents	\$ <u>10,179</u>	\$ <u>480,129</u>	\$ <u>482,497</u>	\$ <u>7,811</u>
Liabilities:				
Accounts payable	\$ <u>10,179</u>	\$ <u>480,129</u>	\$ <u>482,497</u>	\$ <u>7,811</u>
Employee Flex Benefits Account Fund:				
Assets:				
Cash and cash equivalents	\$ <u>6,184</u>	\$ <u>172,100</u>	\$ <u>175,512</u>	\$ <u>2,772</u>
Liabilities:				
Accounts payable	\$ <u>6,184</u>	\$ <u>172,100</u>	\$ <u>175,512</u>	\$ <u>2,772</u>
DSS Guardianships Fund:				
Assets:				
Cash and cash equivalents	\$ <u>126,361</u>	\$ <u>519,261</u>	\$ <u>524,228</u>	\$ <u>121,394</u>
Liabilities:				
Accounts payable	\$ <u>126,361</u>	\$ <u>519,261</u>	\$ <u>524,228</u>	\$ <u>121,394</u>
Cooperative Extension Agency Fund:				
Assets:				
Cash and cash equivalents	\$ <u>83,638</u>	\$ <u>32,368</u>	\$ <u>27,910</u>	\$ <u>88,096</u>
Liabilities:				
Accounts payable	\$ <u>83,638</u>	\$ <u>32,368</u>	\$ <u>27,910</u>	\$ <u>88,096</u>

IREDELL COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Inspection Bonds Fund:				
Assets:				
Cash and cash equivalents	\$ 6,000	\$ -	\$ -	\$ 6,000
Liabilities:				
Accounts payable	\$ 6,000	\$ -	\$ -	\$ 6,000
Municipal Tax Collections Fund:				
Assets:				
Cash and cash equivalents	\$ 156,685	\$ 66,582,596	\$ 66,628,820	\$ 110,461
Accounts receivable, net	371,821	396,505	371,821	396,505
Total assets	\$ 528,506	\$ 66,979,101	\$ 67,000,641	\$ 506,966
Liabilities:				
Accounts payable	\$ 528,506	\$ 66,979,101	\$ 67,000,641	\$ 506,966
Gross Receipts Tax Collections Fund:				
Assets:				
Cash and cash equivalents	\$ 11,221	\$ 222,079	\$ 221,788	\$ 11,512
Liabilities:				
Accounts payable	\$ 11,221	\$ 222,079	\$ 221,788	\$ 11,512
Register of Deeds Collections Fund:				
Assets:				
Cash and cash equivalents	\$ 11,526	\$ 130,435	\$ 130,324	\$ 11,637
Liabilities:				
Accounts payable	\$ 11,526	\$ 130,435	\$ 130,324	\$ 11,637
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 411,794	\$ 69,187,833	\$ 69,239,944	\$ 359,683
Accounts receivable, net	371,821	396,505	371,821	396,505
Total assets	\$ 783,615	\$ 69,584,338	\$ 69,611,765	\$ 756,188
Liabilities:				
Accounts payable	\$ 783,615	\$ 69,584,338	\$ 69,611,765	\$ 756,188

SUPPLEMENTAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy, as of and for the year ended June 30, 2019.

This page left blank intentionally.

IREDELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 124,005,451	\$ 122,867,480	\$ 1,137,971
2017-2018	1,306,374	-	848,730	457,644
2016-2017	564,127	-	220,495	343,632
2015-2016	423,817	-	99,076	324,741
2014-2015	262,856	-	59,799	203,057
2013-2014	302,125	-	46,515	255,610
2012-2013	361,481	-	48,557	312,924
2011-2012	373,005	-	51,472	321,533
2010-2011	294,576	-	26,452	268,124
2009-2010	280,494	-	20,283	260,211
2008-2009	237,829	-	237,829	-
Total	<u>\$ 4,406,684</u>	<u>\$ 124,005,451</u>	<u>\$ 124,526,688</u>	<u>3,885,447</u>
Less: Allowance for uncollectible accounts				
General Fund				<u>2,289,831</u>
Ad valorem taxes receivable - net				
General Fund				<u>\$ 1,595,616</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 124,920,089
Reconciling items:				
Amounts written off per statute of limitations				237,829
Penalties collected				(630,280)
Prior years taxes released				5,546
Collections of taxes previously written off				<u>(6,496)</u>
Total collections and credits				<u>\$ 124,526,688</u>

IREDELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
FOR THE YEAR ENDED JUNE 30, 2019

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$23,391,439,582	\$ 0.5275	\$ 123,451,207	\$ 113,092,499	\$ 10,358,708
Penalties	-		98,445	98,445	-
Total	<u>23,391,439,582</u>		<u>123,549,652</u>	<u>113,190,944</u>	<u>10,358,708</u>
Discoveries:					
Current year taxes	97,944,868	0.5275	516,659	516,659	-
Penalties	-		37,475	37,475	-
Total	<u>97,944,868</u>		<u>554,134</u>	<u>554,134</u>	<u>-</u>
Releases	<u>(26,518,831)</u>		<u>(98,335)</u>	<u>(98,335)</u>	<u>-</u>
Total property valuation	<u>\$23,462,865,619</u>				
Net Levy			124,005,451	113,646,743	10,358,708
Uncollected taxes at June 30, 2019			<u>1,137,971</u>	<u>1,137,971</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 122,867,480</u>	<u>\$ 112,508,772</u>	<u>\$ 10,358,708</u>
Current Levy Collection Percentage			<u>99.08%</u>	<u>99.00%</u>	<u>100.00%</u>

IREDELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY FOR THE YEAR ENDED JUNE 30, 2019

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio ⁽¹⁾ 100.0%

Real property \$ 18,770,601,470

Personal property 4,259,145,350

Public service companies ⁽²⁾ 433,118,799

Total assessed valuation \$ 23,462,865,619

Tax rate per \$100 0.5275

Levy (includes discoveries, releases and abatements) (3) \$ 124,005,451

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

County-Wide Fire Protection District \$ 5,791,269

Special Fire Protection Districts 3,693,626

Total \$ 9,484,895

(1) Percentage of appraised value has been established by statute.

(2) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission

(3) The levy includes penalties, but not interest.

This page left blank intentionally.

Statistical Section

This part of the Iredell County's Comprehensive Annual Financial Report presents detailed information as a context for understanding how the information in the financial statements, note disclosures, and required supplementary information depicts the government's overall financial health.

Contents

Financial Trends	Pages
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	150
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	155
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	159
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	163
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	166

This page left blank intentionally.

Schedule 1
Iredell County
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Fiscal Year</u> <u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net investment in capital assets	\$ 118,613,514	\$ 125,148,709	\$ 127,715,157	\$ 131,079,691	\$ 137,484,059	\$ 134,715,130	\$ 155,401,145	\$ 160,451,587	\$ 190,105,841	\$ 224,240,983
Restricted	2,586,092	19,148,226	21,895,343	21,193,157	24,591,780	25,588,314	28,193,088	36,676,060	36,456,038	47,105,284
Unrestricted	38,143,347	25,159,580	30,143,922	32,469,758	37,354,150	53,873,486	59,185,981	72,910,969	51,098,422	30,223,214
Total governmental activities net position	<u>\$ 159,342,953</u>	<u>\$ 169,456,515</u>	<u>\$ 179,754,422</u>	<u>\$ 184,742,606</u>	<u>\$ 199,429,989</u>	<u>\$ 214,176,930</u>	<u>\$ 242,780,214</u>	<u>\$ 270,038,616</u>	<u>\$ 277,660,301</u>	<u>\$ 301,569,481</u>
Business-type activities										
Net investment in capital assets	\$ 17,355,689	\$ 18,934,565	\$ 19,605,339	\$ 20,202,425	\$ 23,556,393	\$ 23,904,066	\$ 23,645,526	\$ 23,858,596	\$ 23,103,132	\$ 23,112,212
Unrestricted	7,354,602	9,108,953	11,771,936	13,077,977	11,947,651	14,455,266	18,115,637	21,546,096	24,962,198	28,323,304
Total business-type activities	<u>\$ 24,710,291</u>	<u>\$ 28,043,518</u>	<u>\$ 31,377,275</u>	<u>\$ 33,280,402</u>	<u>\$ 35,504,044</u>	<u>\$ 38,359,332</u>	<u>\$ 41,761,163</u>	<u>\$ 45,404,692</u>	<u>\$ 48,065,330</u>	<u>\$ 51,435,516</u>
Primary government										
Net investment in capital assets	\$ 135,969,203	\$ 144,083,274	\$ 147,320,496	\$ 151,282,116	\$ 161,040,452	\$ 158,619,196	\$ 179,046,671	\$ 184,310,183	\$ 213,208,973	\$ 247,353,195
Restricted	2,586,092	19,148,226	21,895,343	21,193,157	24,591,780	25,588,314	28,193,088	36,676,060	36,456,038	47,105,284
Unrestricted	45,497,949	34,268,533	41,915,858	45,547,735	49,301,801	68,328,752	77,301,618	94,457,065	76,060,620	58,546,518
Total primary government net position	<u>\$ 184,053,244</u>	<u>\$ 197,500,033</u>	<u>\$ 211,131,697</u>	<u>\$ 218,023,008</u>	<u>\$ 234,934,033</u>	<u>\$ 252,536,262</u>	<u>\$ 284,541,377</u>	<u>\$ 315,443,308</u>	<u>\$ 325,725,631</u>	<u>\$ 353,004,997</u>

Schedule 2
Iredell County
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Fiscal Year</u> <u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 12,603,797	\$ 12,762,362	\$ 12,934,187	\$ 24,324,079	\$ 14,557,125	\$ 12,216,932	\$ 13,653,086	\$ 16,266,130	\$ 11,647,951	\$ 18,363,599
Public safety	36,299,715	39,019,801	38,424,718	35,211,907	41,430,018	41,164,761	44,381,737	43,652,163	59,121,107	52,218,067
Transportation	1,756,281	1,943,719	1,665,429	1,558,068	1,640,960	3,229,897	2,985,249	3,049,791	2,242,871	2,349,225
Economic and physical development	3,461,102	3,793,966	3,134,736	2,661,733	3,195,626	3,205,913	3,551,043	3,849,832	4,237,604	4,151,261
Human services	34,731,978	33,517,403	33,954,843	28,311,426	31,810,282	31,678,932	31,897,620	32,770,074	29,231,744	29,648,195
Cultural and recreation	5,409,833	5,150,640	4,875,727	4,421,413	4,789,828	4,791,044	4,782,028	4,953,830	4,968,009	5,523,424
Education	55,523,654	48,929,038	54,740,228	55,521,664	56,572,241	58,803,011	63,950,155	64,738,084	76,076,168	80,331,610
Interest on long term debt	12,358,103	11,845,142	11,206,620	10,586,568	10,813,865	8,305,707	7,902,798	8,760,884	6,394,205	7,588,695
Total governmental activities	<u>162,144,463</u>	<u>156,962,071</u>	<u>160,936,488</u>	<u>162,596,858</u>	<u>164,809,945</u>	<u>163,396,197</u>	<u>173,103,716</u>	<u>178,040,788</u>	<u>193,919,659</u>	<u>200,174,076</u>
Business-type activities:										
Solid Waste Disposal Facility	4,714,274	3,930,542	5,529,329	6,188,373	6,154,126	5,948,436	6,181,270	6,272,855	7,005,143	7,837,592
EMS Special Services	-	-	424,209	786,550	957,477	935,032	1,043,585	1,103,960	1,112,188	1,283,219
Total business-type activities	<u>4,714,274</u>	<u>3,930,542</u>	<u>5,953,538</u>	<u>6,974,923</u>	<u>7,111,603</u>	<u>6,883,468</u>	<u>7,224,855</u>	<u>7,376,815</u>	<u>8,117,331</u>	<u>9,120,811</u>
Total primary government expenses	<u>166,858,737</u>	<u>160,892,613</u>	<u>\$ 166,890,026</u>	<u>\$ 169,571,781</u>	<u>\$ 171,921,548</u>	<u>\$ 170,279,665</u>	<u>\$ 180,328,571</u>	<u>\$ 185,417,603</u>	<u>\$ 202,036,990</u>	<u>\$ 209,294,887</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 1,387,879	\$ 1,971,505	\$ 2,510,266	\$ 3,430,947	\$ 2,012,356	\$ 2,073,401	\$ 2,196,513	\$ 2,177,425	\$ 2,284,481	\$ 2,403,450
Public safety	5,020,192	5,923,657	5,136,556	5,944,838	5,909,674	5,555,870	5,690,442	5,789,411	5,993,449	6,218,106
Transportation	723,939	682,823	676,139	665,416	858,852	1,004,096	1,004,096	1,205,313	1,455,039	1,450,085
Economic and physical development	1,737,026	2,086,152	2,476,128	2,740,428	3,573,813	4,146,155	5,249,862	5,082,162	5,367,542	6,102,504
Human services	2,610,179	2,710,831	3,452,572	1,923,462	4,141,693	2,687,975	3,916,536	3,649,323	3,618,315	4,327,951
Cultural and recreation	415,853	399,477	435,181	439,179	407,655	411,186	423,792	404,817	364,082	512,462
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	608,388	554,522	582,783	316,260	419,519	369,528	857,242	1,051,513	814,991	765,225
Public safety	2,934,138	2,319,987	2,073,646	1,277,389	1,672,189	1,463,093	1,324,437	1,492,385	1,290,961	3,603,645
Transportation	761,461	859,450	780,155	757,539	1,144,768	604,839	757,109	860,749	758,199	517,151
Economic and physical development	60,000	1,341,729	105,536	60,783	69,694	70,464	76,605	160,519	43,353	-
Human services	18,166,199	17,189,410	16,536,746	15,319,210	14,631,310	16,013,884	15,993,059	16,895,182	11,618,945	11,954,713
Cultural and recreation	174,242	149,839	148,468	152,155	141,689	145,309	161,900	159,079	240,939	160,899
Education	363,799	143,937	110,809	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	15,167	-	174,286	-	-	-	-	-
Education	10,475,854	3,251,632	2,191,448	2,369,834	1,952,821	1,407,169	1,750,857	2,073,146	3,597,333	1,829,230
Total governmental activities program revenues	<u>45,439,149</u>	<u>39,584,951</u>	<u>37,231,600</u>	<u>35,397,440</u>	<u>37,110,319</u>	<u>35,952,969</u>	<u>39,402,450</u>	<u>41,001,024</u>	<u>37,447,629</u>	<u>39,845,421</u>

Schedule 2
Iredell County
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Fiscal Year</u> <u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Business-type activities:										
Charge for services	7,061,479	7,060,160	8,755,192	8,917,454	9,677,831	10,001,488	10,584,096	10,703,538	10,896,539	11,745,393
Operating grants and contributions	59,672	180,089	19,189	35,746	24,983	35,817	74,049	18,493	20,399	19,070
Capital grants and contributions	-	-	-	294	8,223	78	-	-	-	-
Total business-type activities program revenues	<u>7,121,151</u>	<u>7,240,249</u>	<u>8,774,381</u>	<u>8,953,494</u>	<u>9,711,037</u>	<u>10,037,383</u>	<u>10,658,145</u>	<u>10,722,031</u>	<u>10,916,938</u>	<u>11,764,463</u>
Total primary government program revenues	<u>\$ 52,560,300</u>	<u>\$ 46,825,200</u>	<u>\$ 46,005,981</u>	<u>\$ 44,350,934</u>	<u>\$ 46,821,356</u>	<u>\$ 45,990,352</u>	<u>\$ 50,060,595</u>	<u>\$ 51,723,055</u>	<u>\$ 48,364,567</u>	<u>\$ 51,609,884</u>
Net (Expense)/Revenue										
Governmental activities	\$ (116,705,314)	\$ (117,377,120)	\$ (123,704,888)	\$ (127,199,418)	\$ (127,699,626)	\$ (127,443,228)	\$ (133,701,266)	\$ (137,039,764)	\$ (156,472,030)	\$ (160,328,655)
Business-type activities	<u>2,406,877</u>	<u>3,309,707</u>	<u>2,820,843</u>	<u>1,978,571</u>	<u>2,599,434</u>	<u>3,153,915</u>	<u>3,433,290</u>	<u>3,345,216</u>	<u>2,799,607</u>	<u>2,643,652</u>
Total primary government net (expense)/revenue	<u>\$ (114,298,437)</u>	<u>\$ (114,067,413)</u>	<u>\$ (120,884,045)</u>	<u>\$ (125,220,847)</u>	<u>\$ (125,100,192)</u>	<u>\$ (124,289,313)</u>	<u>\$ (130,267,976)</u>	<u>\$ (133,694,548)</u>	<u>\$ (153,672,423)</u>	<u>\$ (157,685,003)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 98,701,421	\$ 100,503,348	\$ 106,045,996	\$ 107,964,857	\$ 112,229,995	\$ 111,802,717	\$ 123,614,718	\$ 126,358,223	\$ 130,405,434	\$ 134,653,880
Local option sales tax	23,076,683	24,414,833	25,803,971	26,958,071	28,470,566	31,171,466	32,596,642	34,153,581	35,644,068	38,369,142
Other taxes and licenses	1,395,683	1,360,921	1,416,596	1,666,272	2,057,674	2,465,703	3,134,588	4,268,559	3,934,141	5,013,052
Grants and contributions not restricted	603,857	767,890	740,092	681,008	802,234	1,046,864	863,737	921,929	812,637	822,087
Investment earnings	176,952	112,009	46,531	53,997	49,291	48,971	348,068	875,668	2,031,127	3,762,778
Miscellaneous	762,907	331,681	439,714	242,677	432,164	444,565	1,629,120	941,666	1,377,164	1,493,043
Special item, loss on disposal of asset	-	-	-	(2,739,686)	-	-	-	-	-	-
Transfers	-	-	(490,105)	100,000	400,000	(2,170)	122,830	122,830	122,707	123,853
Total governmental activities:	<u>124,717,503</u>	<u>127,490,682</u>	<u>134,002,795</u>	<u>134,927,196</u>	<u>144,441,924</u>	<u>146,978,116</u>	<u>162,309,703</u>	<u>167,642,456</u>	<u>174,327,278</u>	<u>184,237,835</u>
Business-type activities:										
Investment earnings	42,937	23,520	11,141	19,484	13,008	14,435	69,215	172,343	436,932	709,911
Miscellaneous	5,491	-	11,668	5,072	11,200	2,508	22,156	248,800	6,627	140,476
Transfers	-	-	490,105	(100,000)	(400,000)	2,170	(122,830)	(122,830)	(122,707)	(123,853)
Total business-type activities	<u>48,428</u>	<u>23,520</u>	<u>512,914</u>	<u>(75,444)</u>	<u>(375,792)</u>	<u>19,113</u>	<u>(31,459)</u>	<u>298,313</u>	<u>320,852</u>	<u>726,534</u>
Total primary government	<u>\$ 124,765,931</u>	<u>\$ 127,514,202</u>	<u>\$ 134,515,709</u>	<u>\$ 134,851,752</u>	<u>\$ 144,066,132</u>	<u>\$ 146,997,229</u>	<u>\$ 162,278,244</u>	<u>\$ 167,940,769</u>	<u>\$ 174,648,130</u>	<u>\$ 184,964,369</u>
Change in Net Position										
Governmental activities	\$ 8,012,189	\$ 10,113,562	\$ 10,297,907	\$ 7,727,778	\$ 16,742,298	\$ 19,534,888	\$ 28,419,904	\$ 30,602,692	\$ 17,855,248	\$ 23,909,180
Business-type activities	<u>2,455,305</u>	<u>3,333,227</u>	<u>3,333,757</u>	<u>1,903,127</u>	<u>2,223,642</u>	<u>3,173,028</u>	<u>3,401,831</u>	<u>3,643,529</u>	<u>3,120,459</u>	<u>3,370,186</u>
Total primary government	<u>\$ 10,467,494</u>	<u>\$ 13,446,789</u>	<u>\$ 13,631,664</u>	<u>\$ 9,630,905</u>	<u>\$ 18,965,940</u>	<u>\$ 22,707,916</u>	<u>\$ 31,821,735</u>	<u>\$ 34,246,221</u>	<u>\$ 20,975,707</u>	<u>\$ 27,279,366</u>

Schedule 3
Iredell County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund											
Reserved for:											
State statute	\$	9,700,583									
Prepays		295,697									
Encumbrances		4,654,166									
Register of deeds technology enhancements		169,843									
Capital outlay		200,240									
Debt service		9,785									
DSS and health		1,415,387									
Other		1,521,017									
Total reserved		17,966,718									
Unreserved											
Undesignated		25,112,153									
Total General Fund	\$	<u>43,078,871</u>									
General Fund											
Non-spendable	\$	261,939	\$ 242,863	\$ 223,209	\$ 302,638	\$ 961,934	\$ 926,666	\$ 771,559	\$ 745,972	\$ 698,483	
State statute		12,384,710	15,207,399	15,536,781	17,045,175	17,603,160	19,849,456	24,737,299	25,476,787	27,321,916	
Restricted, all others		2,658,123	3,827,929	3,410,299	4,559,397	4,773,694	5,474,054	6,330,383	7,661,586	9,972,060	
Assigned		1,689,930	773,355	795,355	866,652	3,911,474	13,464,851	21,281,915	25,890,684	25,720,152	
Unassigned		30,415,863	35,266,742	37,809,732	42,931,268	38,277,766	40,914,401	39,703,563	38,840,438	48,845,341	
Total General Fund	\$	<u>47,410,565</u>	<u>55,318,288</u>	<u>57,775,376</u>	<u>65,705,130</u>	<u>65,528,028</u>	<u>80,629,428</u>	<u>92,824,719</u>	<u>98,615,467</u>	<u>112,557,952</u>	
All Other Governmental Funds											
Reserved for:											
State statute	\$	267,083									
Prepays		2,153									
Capital outlay		-									
Total reserved		269,236									
Unreserved											
Special revenue funds		4,851,748									
Capital projects funds		3,950,831									
Total all other governmental funds	\$	<u>9,071,815</u>									
All Other Governmental Funds											
Non-spendable	\$	2,153	\$ 2,153	\$ 2,153	\$ 1,435	\$ 5,749	\$ 128,793	\$ 288	\$ 58	\$ -	
State statute		746,486	520,721	231,864	643,597	352,108	964,717	1,452,260	1,719,243	7,844,736	
Restricted, all others		3,358,907	2,339,294	2,014,213	3,640,602	16,627,226	33,637,995	18,387,914	13,120,105	45,410,528	
Committed		1,835,032	2,953,633	6,848,634	7,385,603	20,319,593	9,190,767	29,913,274	25,353,378	2,637,673	
Assigned		173,326	195,194	257,341	240,106	446,298	378,472	209,665	-	-	
Unassigned		(250,106)	(217,467)	-	(173,643)	(1,159,069)	(6,946,911)	(61,528)	-	(11,261,520)	
Total all other governmental funds	\$	<u>5,865,798</u>	<u>5,793,528</u>	<u>9,354,205</u>	<u>11,737,700</u>	<u>36,591,905</u>	<u>37,353,833</u>	<u>49,901,873</u>	<u>40,192,784</u>	<u>44,631,417</u>	

Fund balance reporting changed in FYE 2011 due to implementation of GASB 54.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes:										
Property	\$ 98,731,679	\$ 99,880,092	\$ 105,561,214	\$ 108,104,434	\$ 112,467,013	\$ 113,137,438	\$ 123,656,624	\$ 127,936,055	\$ 130,077,296	\$ 134,488,084
Sales	23,076,683	24,414,833	25,803,971	26,958,071	30,528,240	33,552,572	35,212,352	36,986,147	38,716,096	41,643,992
Other	1,395,683	1,360,921	1,416,596	1,666,272	802,234	84,597	518,878	1,435,993	862,113	1,738,202
Total taxes	123,204,045	125,655,846	132,781,781	136,728,777	143,797,487	146,774,607	159,387,854	166,358,195	169,655,505	177,870,278
Intergovernmental	34,122,067	27,028,058	23,171,017	20,934,178	20,206,276	20,971,150	21,784,946	23,614,502	17,080,923	18,858,230
Permits and fees	2,808,420	3,025,534	3,634,521	4,124,008	4,237,967	5,594,412	6,966,543	6,880,985	7,120,366	7,829,226
Contributions									2,096,435	794,515
Sales and services	9,686,100	10,155,312	11,052,321	10,488,609	11,538,723	10,439,778	11,507,370	11,420,138	11,955,214	13,178,209
Investment earnings	176,952	112,009	46,531	51,547	47,586	46,838	340,134	854,174	1,978,486	3,669,434
Miscellaneous	762,907	465,054	482,529	242,677	432,164	596,565	1,629,120	941,666	1,377,164	1,493,043
Total Revenues	170,760,491	166,441,813	171,168,700	172,569,796	180,260,203	184,423,350	201,615,967	210,069,660	211,264,093	223,692,935
Expenditures										
General Government	11,518,796	11,721,869	11,872,050	12,735,513	13,577,071	13,816,580	14,473,676	15,953,848	16,756,826	16,415,809
Public Safety	33,475,476	36,539,473	36,470,511	37,200,250	39,304,706	39,934,679	42,376,249	39,580,968	51,949,550	50,169,938
Transportation	1,367,163	2,201,155	1,334,517	1,290,491	1,406,838	1,612,165	1,499,427	2,019,415	1,967,053	2,124,629
Economic and physical development	3,187,051	3,514,318	2,865,438	2,958,937	2,990,637	3,068,357	3,397,155	3,730,382	3,810,916	3,986,867
Human services	33,741,988	32,701,721	32,704,090	30,875,472	30,883,098	31,277,215	31,831,444	32,754,662	28,738,237	29,467,340
Culture and recreation	5,113,397	4,879,254	4,594,955	4,636,236	4,527,028	4,591,136	4,870,850	4,729,081	4,761,506	5,294,558
Education	53,385,797	45,393,635	41,305,154	46,106,110	42,645,031	44,465,306	53,848,243	53,533,251	64,229,383	67,817,718
Capital Outlay	11,766,503	7,040,411	5,746,916	3,241,032	6,980,988	8,786,283	31,770,427	39,433,620	38,647,807	49,502,987
Debt Service:										
Principal	14,192,172	15,011,783	14,661,784	17,503,761	17,577,024	17,774,010	17,988,118	19,597,417	20,003,138	21,145,676
Interest and other charges	12,358,103	11,926,250	11,287,727	10,667,675	9,763,837	9,074,246	8,333,510	9,463,339	8,476,197	8,896,993
Total Expenditures	180,106,446	170,929,869	162,843,142	167,215,477	169,656,258	174,399,977	210,389,099	220,795,983	239,340,613	254,822,515
Excess of revenues over (under) expenditures	(9,345,955)	(4,488,056)	8,325,558	5,354,319	10,603,945	10,023,373	(8,773,132)	(10,726,323)	(28,076,520)	(31,129,580)
Other Financing Sources (Uses)										
Transfers in	4,201,375	3,040	2,598,596	4,601,068	1,845,467	13,443,305	5,737,663	11,373,897	6,490,433	1,394,197
Transfers out	(4,201,375)	(3,040)	(3,088,701)	(4,501,068)	(1,445,467)	(13,445,475)	(5,614,833)	(11,251,067)	(6,367,726)	(1,270,344)
Issuance of debt	7,701,398			563,446	1,364,219	13,982,900	40,199,026	19,661,428	24,035,472	49,386,845
Total other financing sources (uses)	7,701,398	-	(490,105)	663,446	1,764,219	13,980,730	40,321,856	19,784,258	24,158,179	49,510,698
Net change in fund balances	\$ (1,644,557)	\$ (4,488,056)	\$ 7,835,453	\$ 6,017,765	\$ 12,368,164	\$ 24,004,103	\$ 31,548,724	\$ 9,057,935	\$ (3,918,341)	\$ 18,381,118
Debt service as a percentage of noncapital expenditures	15.77%	16.44%	16.52%	17.18%	16.81%	16.21%	14.74%	16.02%	14.19%	14.63%

Schedule 5
Iredell 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 Rate (3)	Estimated Actual Market Value (4)
	Residential Property	Commercial Property	Industrial Property	Present-use Value (1)					
2010	13,022,732,580	2,473,809,750	1,276,851,890	292,424,330	3,222,377,916	320,359,294	20,608,555,760	0.4450	21,784,942,664
2011	13,164,469,580	2,531,088,550	1,289,198,185	299,201,060	3,197,980,782	329,279,232	20,811,217,389	0.4450	21,085,326,635
2012 (5)	12,646,864,692	2,910,176,952	989,480,594	309,467,410	3,133,469,694	334,091,772	20,323,551,114	0.4850	20,995,404,043
2013	13,236,436,909	2,470,841,682	1,194,781,366	318,811,920	3,017,855,047	343,634,341	20,582,361,265	0.4850	21,620,127,379
2014	13,370,967,763	2,474,891,959	1,199,925,105	324,433,700	3,489,835,216	349,581,804	21,209,635,547	0.4850	21,209,635,547
2015	13,548,402,536	2,557,624,054	1,197,454,607	327,866,840	3,248,687,518	354,732,855	21,234,768,410	0.4850	21,569,089,294
2016(5)	13,525,329,439	2,699,700,861	1,255,192,395	322,443,830	3,422,707,985	391,978,739	21,617,353,249	0.5275	22,527,462,744
2017	13,855,486,532	2,703,252,231	1,257,179,205	327,214,000	3,687,372,481	408,713,398	22,239,217,847	0.5275	23,633,600,262
2018	13,914,290,679	2,778,854,761	1,278,031,365	338,925,870	3,966,081,340	415,081,222	22,691,265,237	0.5275	25,582,035,216
2019	14,321,146,194	2,793,631,961	1,315,596,135	340,227,180	4,259,145,350	433,118,799	23,462,865,619	0.5275	23,800,837,512

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) 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) Property in Iredell County is reassessed every four years. The last reassessment was on January 1, 2015 and was the basis for fiscal 2016 taxes.

**Schedule 6
Iredell County
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years**

	Year Taxes Are Payable									
	2010	2011	2012(1)	2013	2014	2015	2016(1)	2017	2018	2019
County Direct Rates										
Iredell County	\$ 0.4450	\$ 0.4450	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.5275	\$ 0.5275	\$ 0.5275	\$ 0.5275
Municipality Rates:										
City of Statesville	0.3800	0.3800	0.3800	0.4100	0.4100	0.4100	0.4600	0.4600	0.4811	0.5478
Statesville Downtown	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Town of Harmony	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Town of Love Valley	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
Town of Mooresville	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800
Mooresville Downtown	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mooresville Schools	0.1350	0.1350	0.1350	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Town of Troutman	0.4300	0.4300	0.4400	0.4400	0.4400	0.4700	0.5200	0.5200	0.5200	0.5200
Town of Davidson	0.3650	0.3650	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.2900
Fire Districts:										
County-Wide	0.0600	0.0600	0.0650	0.0650	0.0700	0.0700	0.0700	0.0700	0.0700	0.0900
East Alexander	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600	0.0700	0.0700	0.0700	0.0700
Shepherds	0.0650	0.0650	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Mt. Mourne	0.3250	0.0325	0.0350	0.0400	0.0400	0.0450	0.0600	0.0600	0.0600	0.0700
Barringer & Fallstown	0.0500	0.0500	0.0500	0.0650	0.0650	0.0650	0.0700	0.0700	0.0700	0.0750

(1) Revaluation years.

(2) The rates are shown per \$100 of taxable value. All taxable property is subject to the county-wide tax. Real property is reappraised at 100% of fair market value every four years. Personal property is reappraised annually at 100% of fair market value.

Schedule 7
Iredell County
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2019			Fiscal Year 2010		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Lowes Home Centers, LLC	Hardware/Lumber retailer	\$ 529,836,158	1	2.26%	\$ 512,751,890	1	2.49%
NGK Ceramics USA, Inc.	Ceramic substrates mfg	196,684,241	2	0.84%	112,302,867	3	0.54%
ASMO NC, Inc.	Electric motor manufacturer	122,110,637	3	0.52%	74,483,692	5	0.36%
Niagra Bottlings LLC	Water bottler	74,284,822	4	0.32%			
Cardinal IG Company	Flat glass manufacturer	73,193,123	5	0.31%	56,312,011	6	0.27%
Mooresville Hospital Mgr. Assoc.	Hospital	71,458,325	6	0.30%	87,418,602	4	0.42%
Langtree Development Company	Real estate developer	65,139,520	7	0.28%			
Providencia USA, Inc.	Spunmelt nonwoven fabrics	63,581,368	8	0.27%			
Bestco Inc	Healthcare products	57,161,009	9	0.24%			
Engineered Sintered Components		52,111,317	10				
Ingersol Rand	Air compressor maufacturer				38,629,986	10	0.19%
Duke Energy Corp.	Electric utility				142,233,238	2	0.69%
Energy United EMC	Electric membership co-op				60,948,632	7	0.30%
Dale Earnhardt, Inc	Race team				55,155,663	8	0.27%
FNA Polymer Corporation	Synthetic materials production				36,225,748	9	0.18%
Totals		\$ <u>1,305,560,520</u>		5.56%	\$ <u>1,176,462,329</u>		5.71%

Schedule 8
Iredell County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2010	\$ 91,856,887	\$ 88,893,307	96.77%	\$ 2,703,369	\$ 91,596,676	99.72%
2011	92,762,552	89,805,354	96.81%	2,689,074	92,494,428	99.71%
2012	98,488,490	95,303,581	96.77%	2,863,376	98,166,957	99.67%
2013	99,963,476	97,021,176	97.06%	2,629,376	99,650,552	99.69%
2014	102,937,730	100,609,994	97.74%	2,072,126	102,682,120	99.75%
2015	103,188,921	101,725,111	98.58%	1,260,753	102,985,864	99.80%
2016	114,250,046	112,587,274	98.54%	1,338,031	113,925,305	99.72%
2017	117,613,788	116,265,186	98.85%	1,004,970	117,270,156	99.71%
2018	120,126,639	118,820,265	98.91%	848,730	119,668,995	99.62%
2019	124,005,451	122,867,480	99.08%	-	122,867,480	99.08%

Source: Iredell County Tax Department

(1) This represents the original levy.

Schedule 9
Iredell County
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Governmental Activities								Business-Type Activities								Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Premiums/ Discounts	Certificates of Participation	Limited Obligation Bonds	Installment Loans	Installment Payment Revenue Refunding Bonds	Installment Payment Revenue Bonds	Capital Lease	Special Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Premium/ Discounts	Installment Loans						
2010	\$ 50,910	\$ 3,712	\$ 167,285	\$ -	\$ 7,187	\$ 17,595	\$ 14,231		\$ 2,723	\$ 4,495	\$ -	\$ -	\$ 97,778	\$ 365,916	2.30	0.01%			
2011	47,710	3,478	159,815	-	6,069	17,360	11,243		1,350	4,245	-	-	-	251,270	1.56	0.00%			
2012	44,510	3,244	152,350	-	5,312	17,110	8,252		450	3,995	-	-	-	235,223	1.44	0.00%			
2013	41,310	3,010	142,145	-	4,555	16,845	5,262	\$ 476	-	3,745	-	-	-	217,348	1.32	0.00%			
2014	38,110	2,417	131,965	-	5,098	14,390	4,452	367	-	3,495	-	-	-	200,294	1.20	0.00%			
2015	46,625	8,382	94,790	24,335	4,206	11,950	3,643	253	-	3,245	-	-	-	197,429	1.16	0.00%			
2016	79,810	10,793	86,760	22,255	3,316	9,530	2,834	135	-	2,995	-	-	-	218,428	1.26	0.00%			
2017	92,095	20,638	18,580	74,502	2,430	7,130	2,024	12	-	-	2,263	389	-	220,063	1.25	0.00%			
2018	97,270	19,303	10,420	72,437	12,495	4,750	1,214	739	-	-	2,263	346	-	221,237	1.23	0.00%			
2019	134,915	20,315	8,510	64,814	12,634	2,370	404	670	-	-	2,031	303		246,966	1.35	*			

* Information not yet available

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

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Schedule 10
Iredell County
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Premiums/ Discounts	Fund Balance Restricted for Debt Repayment	Total General Obligation Debt	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
2010	\$ 50,910,000	\$ 3,711,793	\$ 9,785	\$ 54,612,008	0.99%	0.26%	343
2011	50,910,000	3,477,745	9,580	54,378,165	0.92%	0.26%	337
2012	44,510,000	3,243,697	148	47,753,549	0.76%	0.23%	293
2013	41,310,000	3,009,649	73	44,319,576	0.69%	0.22%	269
2014	38,110,000	2,416,758	-	40,526,758	0.60%	0.19%	242
2015	46,625,000	8,382,232	230,017	54,777,215	0.77%	0.26%	322
2016	79,810,000	10,792,881	13,007	90,589,874	1.26%	0.42%	522
2017	92,095,000	20,637,598	330,666	112,401,932	1.49%	0.51%	638
2018	97,270,000	19,303,099	852,971	115,720,128	1.49%	0.51%	645
2019	134,915,000	20,315,036	1,584,380	153,645,656	*	0.65%	842

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

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for property value data.

Schedule 11
Iredell County
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 20,608,556	\$ 20,811,217	\$ 20,323,551	\$ 20,582,361	\$ 21,209,636	\$ 22,465,841	\$ 21,617,353	\$ 22,239,218	\$ 22,691,265,237	\$ 23,462,865,619
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,648,684	1,664,898	1,625,884	1,646,589	1,696,771	1,797,267	1,729,388	1,779,137	1,815,301	1,877,029
Amount of Debt Applicable to Limit										
Gross debt	257,208	242,196	227,184	210,594	197,876	189,047	207,634	199,036	200,741	226,348
Less: Assets available in debt service funds	<u>7</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231</u>	<u>13</u>	<u>331</u>	<u>853</u>	<u>1,584</u>
Total net debt applicable to limit	<u>257,201</u>	<u>242,187</u>	<u>227,184</u>	<u>210,594</u>	<u>197,876</u>	<u>189,278</u>	<u>207,621</u>	<u>198,705</u>	<u>199,888</u>	<u>224,764</u>
Legal Debt Margin	<u>\$ 1,391,483</u>	<u>\$ 1,422,711</u>	<u>\$ 1,398,699</u>	<u>\$ 1,435,995</u>	<u>\$ 1,498,895</u>	<u>\$ 1,608,220</u>	<u>\$ 1,521,767</u>	<u>\$ 1,580,432</u>	<u>\$ 1,615,413</u>	<u>\$ 1,652,265</u>
Total net debt applicable to the limit as a percentage of debt limit	15.60%	14.55%	13.97%	12.79%	11.66%	10.53%	12.01%	11.17%	11.01%	11.97%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation.

Schedule 12
Iredell County
Pledged-Revenue Coverage
Last Ten Fiscal Years

Special Obligation Bonds										
Fiscal Year	Ambulance Fees	Inspection Fees	Beer & Wine Tax Reimburse	Undesig Register of Deeds Fees	Municipal Tax Collections	Inventory Tax Reimburse	Total Available Revenue	Debt Service		Coverage
								Principal	Interest	
2010	\$ 3,022,604	\$ 1,499,751	\$ 132,861	\$ 746,621	\$ 696,276	\$ -	\$ 6,098,113	\$ 1,384,547	\$ 150,119	3.97%
2011	3,351,678	1,795,037	419,261	737,675	716,980	-	7,020,631	1,373,460	94,877	4.88%
2012	3,380,755	2,212,670	428,467	800,924	709,839	-	7,532,655	900,000	40,162	8.02%
2013	3,908,416	2,485,673	403,389	990,645	769,459	-	8,557,582	450,000	8,033	5.36%
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule 13
Iredell County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment(4)	Unemployment Rate(5)
2010	159,437	\$ 5,523,293	\$ 34,559	38.6	26,568	11.60%
2011	161,211	5,920,520	36,751	36.6	26,461	11.00%
2012	163,013	6,300,479	39,755	39.4	26,629	9.80%
2013	165,050	6,408,050	40,346	39.6	26,789	9.20%
2014	167,235	6,791,534	42,941	39.6	26,569	6.10%
2015	170,202	7,117,528	45,170	39.9	26,808	5.80%
2016	173,391	7,188,703	45,817	40.8	26,800	4.90%
2017	176,229	7,540,949	48,606	40.0	26,837	3.90%
2018	179,330	7,744,555	*	40.4	26,510	3.90%
2019	182,424	*	*	*	26,025	4.10%

* Information not yet available.

Notes:

- (1) Population estimates from NC Office of State Budget and Management.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year.
- (3) Information provided by NC State Data Center.
- (4) Information provided by North Carolina Department of Public Instruction.
- (5) N. C. Employment Security Commission

**Schedule 14
Iredell County
Principal Employers,
Current Year and Nine Years Ago**

	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employees	Employees	Rank	Total County Employees
Employer						
Lowe's Companies, Inc.	4,000	1	4.71%	1000+	1	
Iredell-Statesville Schools	2,830	2	3.34%	1000+	2	
Iredell Memorial Hospital	1,600	3	1.89%	1000+	3	
Ingersoll-Rand	1,200	4	1.41%			
Iredell County Government	1,081	5	1.27%	500-999	5	
Piedmont Health Care	1,015	6	1.20%			
Lake Norman Regional Hospital	930	7	1.10%	500-999	8	
WalMart SuperCenter	740	8	0.87%	500-999	6	
NGK Ceramics USA, Inc.	650	9	0.77%			
Davis Regional Medical Center	500	10	0.59%			
Statesville Auto Auction/Manheim				500-999	9	
Lowe's Home Centers, Inc.				1000+	4	
Mooresville City Schools				500-999	7	
Food Lion LLC				500-999	10	
Totals	14,546		17.15%	0		

Schedule 15
Iredell County
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	99	96	97	98	104	106	108	108	114	117
Public safety	338	338	352	352	357	359	364	375	392	435
Transportation	19	18	20	17	18	20	23	23	28	39
Economic and physical development	48	36	36	37	37	38	39	39	41	42
Human services	333	333	331	334	336	336	345	351	354	354
Cultural and recreation	41	42	41	42	37	37	37	37	36	36
EMS Special Services	-	-	10	10	12	12	13	13	13	13
Solid waste disposal facility	39	39	39	39	41	43	43	44	45	45
Total	<u>917</u>	<u>902</u>	<u>926</u>	<u>929</u>	<u>942</u>	<u>951</u>	<u>972</u>	<u>990</u>	<u>1023</u>	<u>1081</u>

Source: Iredell County Finance Office

Schedule 16
Iredell County
Operating Indicators by Function/Program,
Last Ten Fiscal Years

Function/Program	2010	2011	2012	Fiscal Year 2013	2014	2015	2016	2017	2018	2019
General Government										
(1) Register of Deeds										
Real estate instruments	31,461	28,488	26,821	31,377	32,609	27,954	30,435	31,625	30,526	30,518
Vital records instruments	5,192	5,180	6,151	4,319	4,552	4,559	4,662	4,837	4,735	4,752
Public Safety										
(1) Sheriff										
Civil/criminal papers processed	28,378	24,094	23,970	22,746	21,865	19,428	19,484	19,627	12,468	15,499
Investigations	9,621	3,935	7,106	6,817	6,149	5,627	6,513	7,247	6,894	5,936
Arrests	6,342	5,193	6,721	5,632	5,449	4,119	4,576	6,118	8,913	8,447
Fire Marshal										
Inspections	2,057	1,560	1,290	818	564	1,490	1,375	787	1,082	710
Investigations	90	157	80	75	47	45	55	44	50	55
(1) Emergency medical service										
Call volume	15,824	16,162	17,783	21,444	22,491	22,803	33,365	34,059	29,962	31,305
Transports	10,237	10,274	11,593	16,913	15,937	13,052	18,977	17,049	17,006	17,159
(1) Emergency Communications										
Incident totals	92,512	99,751	103,187	105,319	109,020	120,826	144,296	128,773	185,059	192,765
Phone calls	315,438	307,899	304,527	308,453	304,052	305,563	301,187	269,104	316,791	267,204
Transportation										
Total service miles	818,436	839,555	737,865	640,123	720,257	785,144	792,388	768,072	770,916	791,488
Total passenger trips	122,615	117,938	100,010	79,013	44,134	82,509	79,619	117,606	127,396	132,434
Economic and physical development										
(1) Inspections performed	62,844	55,239	32,517	46,846	47,477	49,633	60,396	67,081	72,032	75,887
Human services										
Health Department										
WIC participation	50,690	48,554	49,314	47,068	44,810	43,299	41,804	41,670	40,662	36,855
(2) Total patient visits	18,947	16,185	16,438	9,833	10,344	27,446	26,396	23,069	21,167	14,487
Culture and recreation										
Library										
Volumes in collection	254,229	251,061	241,880	253,881	230,408	211,730	232,297	236,170	219,927	216,463
Circulation	691,057	625,402	548,470	450,709	435,125	421,419	390,422	378,849	357,105	351,712
Parks and recreation										
Ropes course/tower participants	1,798	2,136	1,607	1,626	1,994	1,404	1,210	1,417	736	271
Camp Iredell participation	625	642	673	589	731	767	799	775	771	889
Solid waste disposal facility										
Tons of refuse collected	166,673	150,728	159,198	157,221	184,351	189,416	189,861	193,062	194,480	213,192
Tons of recyclables collected	14,038	14,498	13,421	14,869	18,461	19,343	28,718	42,663	22,047	24,772

Source: Various County departments. Information is reported for the years that the information was available.

(1) Figures are based on prior calendar year.

(2) This includes all subprograms that were being used at the time these statistics were reported. Over the years, some programs have ended.

Schedule 17
Iredell County
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Function/Program	<u>2010</u>	<u>2011</u>	<u>2012</u>	Fiscal Year <u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government										
County Government buildings	23	23	23	23	23	23	23	21	22	24
Public Safety										
Sheriff										
Centers	7	7	7	7	7	7	7	7	7	7
Emergency medical service										
Quick response vehicles	5	5	5	5	5	5	6	6	6	6
Advanced life support vehicles	12	12	12	13	13	13	19	21	15	16
Stations	5	5	5	7	7	7	7	7	8	8
Transportation										
Passenger vans	29	29	29	28	28	28	28	30	29	29
Economic and physical development										
Vehicles	28	28	28	28	28	28	28	24	23	23
Human services										
Health Department										
Locations	2	2	2	2	2	2	2	2	2	3
Culture and recreation										
Acreage	182	182	187	187	187	187	304	304	312	432
Solid waste disposal facility										
Collection sites	5	5	5	5	5	5	5	5	5	5

Source: Various County Departments.

COMPLIANCE SECTION

This page left blank intentionally.

MARTIN ♦ STARNES & 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
Iredell County
Statesville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iredell County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Iredell County's basic financial statements, and have issued our report thereon dated October 23, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iredell County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iredell County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iredell 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or 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 23, 2019

**Report On Compliance For Each Major Federal Program; Report On Internal
Control Over Compliance; In Accordance With The Uniform Guidance
And The State Single Audit Implementation Act**

Independent Auditor's Report

To the Board of Commissioners
Iredell County
Statesville, North Carolina

Report On Compliance for Each Major Federal Program

We have audited the compliance of Iredell County, North Carolina, with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Iredell County's major federal programs for the year ended June 30, 2019. Iredell County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Iredell County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iredell County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Iredell County's compliance.

Opinion On Each Major Federal Program

In our opinion, Iredell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report On Internal Control Over Compliance

Management of Iredell County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iredell County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iredell County's 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 combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a 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 the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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 23, 2019

**Report On Compliance For Each Major State Program; Report On Internal
Control Over Compliance; In Accordance With The Uniform Guidance
And The State Single Audit Implementation Act**

Independent Auditor's Report

To the Board of Commissioners
Iredell County
Statesville, North Carolina

Report On Compliance for Each Major State Program

We have audited the compliance of Iredell County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Iredell County's major state programs for the year ended June 30, 2019. Iredell County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Iredell County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Iredell County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Iredell County's compliance.

Opinion On Each Major State Program

In our opinion, Iredell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report On Internal Control Over Compliance

Management of Iredell County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iredell County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iredell County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 23, 2019

IREDELL COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Auditor's Results

Financial Statements

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

Identification of major federal programs:

Federal Program

CFDA Number

Medicaid Cluster	93.778
Adoption Assistance	93.659
Foster Care Title IV-E	93.658
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Child Care Development Fund Cluster	93.596

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

\$750,000

Auditee qualified as low-risk auditee?

Yes

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major state programs:

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

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

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

Identification of major state programs:

Medicaid Cluster
Foster Care and Adoption Cluster
E-911 PSAP Grant - PSAP Enhancement and Regional
Backup Initiative

2. Financial Statement Findings

None reported

3. Federal Award Findings and Questioned Costs

None reported

4. State Award Findings and Questioned Costs

None reported

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Finding 2018-001:

Status: Corrected

Finding 2018-002:

Status: Corrected

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(a)(b)	State/ Pass-through Grantor's Number 1(c)	Federal (Direct & Pass-through) Expenditures 1(c),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
SNAP Cluster:					
Administration:					
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program	10.561	175NC406S2514	\$ 776,754	\$ -	\$ -
Total SNAP Cluster			776,754	-	-
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	10.557	12-3510-0-1-605	756,564	-	-
Total U.S. Department of Agriculture			1,533,318	-	-
<u>U.S. Dept. of Justice</u>					
State Criminal Alien Assistance Program	16.606	1121-0243	16,067	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0143	20,711	-	-
Equitable Sharing Program	16.922	2016-DJ-BX-1038	2,648	-	-
Total U.S. Dept. of Justice			39,426	-	-
<u>U.S. Dept. of Treasury</u>					
Equitable Sharing Program	21.016		5,178	-	-
Total U.S. Dept. of Treasury			5,178	-	-
<u>U.S. Dept. of Transportation</u>					
Federal Transit Administration					
Passed-through the N.C. Department of Transportation:					
Federal Transit Cluster:					
Federal Transit Formula Grants	20.507	18-LU-024	114,689	-	-
Total Federal Transit Cluster			114,689	-	-
Formula Grants for Rural Areas	20.509	18-CT-024	189,320	14,823	-
Transit Services Programs Cluster:					
Job Access and Reverse Commute Program	20.516	17-JA-024	83,164	-	-
Total Transit Services Programs Cluster			83,164	-	-
Total U.S. Dept. of Transportation			387,173	14,823	-
<u>U. S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Public Safety:					
Division of Emergency Management					
Disaster Grants - Public Assistance (Presidentially					
Declared Disasters)	97.036	9343-DR-NC	4,433	1,811	-
Emergency Management Performance Grant	97.042	EMPG-2018-18048	52,899	-	-
Homeland Security Grant Program	97.067	EMW-2018-1846	37,997	-	-
Total U. S. Department of Homeland Security			95,329	1,811	-
<u>U.S. Dept. of Health & Human Services</u>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services					
Temporary Assistance for Needy Families (TANF) Cluster					
TANF - Work First	93.558	75-1552-0-1-609	811,165	-	-
Division of Public Health:					
TANF	93.558	75-1552-0-1-609	18,579	-	-
Total TANF Cluster			829,744	-	-
Division of Social Services:					
Foster Care and Adoption Cluster (Note 4)					
Foster Care - Title IV-E	93.658	75-1545-0-1-609	1,158,140	174,926	-
Foster Care - State Foster Home	93.658	75-1545-0-1-609	140,907	-	-
Adoption Assistance	93.659	75-1545-0-1-609	36,786	-	-
Total Foster Care and Adoption Cluster (Note 4)			1,335,833	174,926	-
Child Support Enforcement	93.563	75-1501-0-1-609	1,186,018	-	-
Special Children Adoption Fund Cluster (Note 4)					
Promoting Safe and Stable Families	93.556	75-1512-0-1-506	133,712	-	-
Total Special Children Adoption Fund Cluster			133,712	-	-
Low-Income Home Energy Assistance:					
Administration	93.568	75-1502-0-1-609	73,867	-	-
Energy Assistance Payments	93.568	75-1502-0-1-609	295,700	-	-
Crisis Intervention Program	93.568	75-1502-0-1-609	441,315	-	-
Total Low-Income Home Energy Assistance			810,882	-	-

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(a)(b)	State/ Pass-through Grantor's Number 1(c)	Federal (Direct & Pass-through) Expenditures 1(c),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)
Stephanie Tubbs Jones Child Welfare Services Program: - Permanency Planning - Families for Kids	93.645	75-1536-0-1-506	24,365	-	-
Total Stephanie Tubbs Jones Child Welfare Services Program:			24,365	-	-
Chafee Foster Care Independence Program	93.674	75-1545-0-1-609	28,442	4,194	-
Division of Aging and Adult Services:					
Division of Social Services:					
SSBG - Other Service and Training	93.667	75-1534-0-1-506	325,857	-	-
SSBG - State In Home Service Fund	93.667	75-1534-0-1-506	16,808	-	-
SSBG - State Adult Day Care	93.667	75-1534-0-1-506	24,133	27,171	-
SSBG - Adult Protective Services	93.667	75-1534-0-1-506	72,566	-	-
Total Social Service Block Grant			439,364	27,171	-
Division of Social Services:					
Subsidized Child Care Program Cluster (Note 4):					
Child Care Development Fund Cluster:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Administration	93.596	75-1550-0-1-609	197,449	-	-
Total Subsidized Child Care Program Cluster / Child Care Development Fund Cluster			197,449	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Medicaid Cluster:					
Administration:					
Medical Assistance Program	93.778	75-0512-0-1-551	3,182,712	10,045	-
Total Medicaid Cluster			3,182,712	10,045	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	75-0515-0-1-551	128,142	-	-
Total Children's Health Insurance Program - N.C. Health Choice			128,142	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	75-0958-1-1-550	62,815	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	75-0950-0-1-550	50	-	-
Family Planning Services	93.217	13A1-592-FP	48,605	1,259	-
Immunization Cooperative Agreements	93.268	75-0943-0-1-550	33,086	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	75-0943-0-1-999	45,389	-	-
Preventive Health and Health Services Block Grant					
Health Communities Activities	93.991	1261-5503-PH	35,809	-	-
Maternal and Child Health Services Block Grant to the States	93.994	75-0354-0-1-550	79,977	-	-
HIV Cluster (Note 4):					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	75-0950-0-1-550	100	-	-
Total HIV Cluster			100	-	-
Total U.S. Dept. of Health and Human Services			8,602,494	217,595	-
Total federal awards			10,662,918	234,229	-

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(a)(b)	State/ Pass-through Grantor's Number 1(c)	Federal (Direct & Pass-through) Expenditures 1(c),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)
State Awards:					
<u>N.C. Dept. of Administration</u>					
Veterans Service			-	2,216	-
Total N.C. Dept. of Administration			-	2,216	-
<u>N.C. Dept. of Cultural and Natural Resources</u>					
Division of State Library					
State Aid to Public Libraries			-	149,519	-
NC LSTA EZ Grant			-	10,610	-
NC State Library Training Grant			-	770	-
NC LSTA Cardinal Grant			-	1,184	-
Total N.C. Dept of Cultural and Natural Resources			-	162,083	-
<u>N.C. Department of Environmental Quality</u>					
Division of Waste Management					
NC Tire Disposal Grant			-	8,086	-
Electronic Management Recycling Grant			-	10,984	-
Total N.C. Dept. Environmental Quality			-	19,070	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Aging and Adult Services					
Division of Social Services					
State Foster Home			-	334,253	-
State Child Welfare			-	186,111	-
AFDC Program Integrity			-	3,645	-
Total Division of Social Service			-	524,009	-
Division of Public Health					
General Aid to Counties			-	101,350	-
General Communicable Disease Control			-	5,757	-
Family Planning			-	56,413	-
Child Health			-	7,852	-
Women's Health Service Fund			-	11,545	-
Food and Lodging			-	32,652	-
School Nurse Funding Initiative			-	100,000	-
Maternal Health			-	39,399	-
HIV/STD State			-	12,500	-
Tuberculosis			-	21,660	-
Risk Reduction/Health Promotion			-	4,137	-
Total Division of Public Health			-	393,265	-
Total N. C. Department of Health and Human Services			-	917,274	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds			-	1,034,715	1,034,715
Total N.C. Dept. of Public Instruction			-	1,034,715	1,034,715
<u>N.C. E911 Board:</u>					
E-911 PSAP Grant - PSAP Enhancement and Regional Backup Initiative			-	1,937,280	-
			-	1,937,280	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs			-	439,224	423,806
Emergency Management Tier II Non-Competitive			-	1,000	-
Total N.C. Dept. of Public Safety			-	440,224	423,806
<u>N.C. Dept. of Transportation</u>					
DOT Cluster:					
ROAP Elderly and Disabled Transportation Assistance Program			-	101,592	-
ROAP Rural General Public Program			-	90,857	-
ROAP Work First Transitional - Employment			-	37,323	-
Total DOTcluster			-	229,772	-
Total state awards			-	4,742,634	1,458,521
Total federal and state awards			\$ 10,662,918	\$ 4,976,863	\$ 1,458,521

IREDELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

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 the Iredell County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Iredell County, it is not intended to and does not present the financial position, changes in net position or cash flows of Iredell County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Special Children Adoption Fund, and HIV Cluster.

This page left blank intentionally.