

Bertie County, North Carolina  
Financial Statements  
June 30, 2018



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Certified Public Accountants

**Bertie County, North Carolina**  
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**June 30, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Bertie County, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina, as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bertie 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 did not audit the financial statements of Bertie County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bertie County ABC Board is based solely on the report of the other auditors. 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. The financial statements of Bertie County ABC Board were not audited in accordance with Governmental Auditing Standards.

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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 26, the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns on page 85, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 86 and 87, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 88 and 89, 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, pages 90 and 91, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Bertie County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 US Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2019 on our consideration of Bertie 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 the report is 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 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 Bertie County's internal control over financial reporting and compliance.



Belhaven, North Carolina  
May 20, 2019



## Bertie County, North Carolina Management's Discussion and Analysis

As management of Bertie County, we offer readers of Bertie County's financial statements this narrative overview and analysis of the financial activities of Bertie County for the fiscal year ended June 30, 2018.

### Financial Highlights

- The fiscal year ended June 30, 2018 financial reporting reflects substantial changes due to the incorporation of new governmental accounting requirements, commonly referred to as GASB 74 and 75. This new presentation format provides an expanded calculation of the long term liability for non-pension related, other post-employment benefits (OPEB), which are primarily attributable to the County's commitment for health insurance coverage for retired county employees.
- To fully understand the magnitude of this fiscal reporting change, the reader is encouraged to refer to the County's financial statements for the fiscal year ended June 30, 2017 and read the OPEB summary on page 61 of last year's audit. The net OPEB obligation was stated as \$5,051,940 based on the most recent actuarial study for that reporting period.
- The net OPEB obligation for the fiscal year ended June 30, 2018 is now stated as \$14,898,665 using the new GASB 74 and 75 reporting requirements, which is based on a new actuarial study completed in February of 2019. The net change in the long-term liability for the County is an increase of \$9,898,665 or nearly a two hundred percent.
- The County recorded a restatement of long-term liabilities as a result of GASB 74 and 75, and reflects a decrease in total net position of \$9,785,377.
- The NC Local Government Commission examines audit reports for each unit of local government and the publishes the available fund balance for each county and municipality.
- In FY 2017, the NC Local Government Commission reported Bertie County's fund balance available for appropriation as \$4,704,548 using the calculation in NCGS 159-8(a).
- Bertie County's fund balance available for appropriation as reported for the fiscal year ended June 30, 2018 is \$4,936,424 which is an increase of \$213,876 or 4.5 percent above the prior year, using the NC Local Government Commission calculation in NCGS 159-8(a).
- The NC Local Government Commission recommends that units of local government maintain a minimum of eight percent (8%) fund balance to cover cash flow and operating cycle, emergency reserves and credit rating requirements.
- Based on the LGC calculation, Bertie County's available fund balance for appropriation is 19.44 percent of total general fund expenditures for the fiscal year ended June 30, 2018.

## Bertie County, North Carolina Management's Discussion and Analysis

- Bertie County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that the available fund balance is at least equal to or greater than ten percent (10%) of budgeted expenditures. Management has continued to meet this requirement.
- The assets and deferred outflows of resources of Bertie County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$15,370,135 (*net position*), as reported in Exhibit 1.
- The government's total net position decreased by \$9,968,490, primarily due to the governmental funds, and the new GASB 74 and 75 reporting requirements. The figure reflects the sum of governmental funds which decreased \$10,283,453 and business activities (regional water system) and reflects an increase of \$314,963 as indicated in Figure 2. This increase of \$314,963 in net position for the Regional Water District Fund (business activities) is primarily attributable to capital project grants of \$1,202,418 during the fiscal year ended June 30, 2018.
- As of the close of the current fiscal year, Bertie County's governmental funds reported combined ending fund balances of \$7,357,550, a decrease of \$661,894 in comparison with the prior year. Approximately 31.76% of this total amount or \$2,336,940 is restricted or non-spendable by statute for stabilization purposes as reflected in Exhibit 3.
- The combined ending fund balances in governmental funds of \$7,357,550 noted above, and the reported decrease of \$661,894 is primarily attributable to the Non-Major Fund's decrease of \$600,617. This decrease reflects the closeout of the Bertie High School construction fund and the transfer of remaining monies to the School Capital Reserve Fund which are used for future school debt service payments.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,729,650, or 6.81% of total general fund expenditures of \$25,390,579 for the fiscal year, while total fund balance for Governmental Funds represents 28.98% of that same amount.
- It should be noted that beginning with the audit for the fiscal year ended June 30, 2016, the presentation of unassigned fund balance for the General Fund in Exhibit 3, includes separate delineation of "Subsequent year expenditures" in the amount of \$1,902,304 and represents the amount of appropriated fund balance in the adopted budget for the General Fund in FY 2018-2019.
- This change described above in the audit firm's presentation of Exhibit 3, and the segregation of appropriated fund balance for the subsequent fiscal year in the budget ordinance, corrects the presentation of the unassigned fund balance, which had been incorrectly reported for more than a decade.

## Bertie County, North Carolina Management's Discussion and Analysis

- The final revised budget for the fiscal year ended June 30, 2018 included \$2,022,737 in appropriated fund balance for the General Fund budget, and the net change in fund balance is reflected as a decrease of \$319,256 in Exhibit 6.
- The FY 2018-2019 Adopted Budget Ordinance approved by the Board of Commissioners for its subsequent fiscal year budget totals \$24,802,241 or \$588,388 less than the \$25,390,579 in General Fund expenditures for the prior year—the fiscal year ended June 30, 2018. This reduction in General Fund expenditures is primarily attributable to the completion of major capital projects and courthouse renovations.
- Exhibit 6 provides the most well-defined measure of changes in fund balance for the General Fund from a management perspective and incorporates a consolidation of reporting for budgeted transfers for the Tax Revaluation Fund and the School Capital Reserve Fund which correlates with Exhibit 4.
- The governing body annually examines the net change in fund balance for the General Fund, which for the fiscal year ended June 30, 2018 reflects a decrease (or use of these monies for one-time capital projects) of fund balance of \$319,256. The use of \$319,256 for capital projects as compared with the appropriated fund balance of \$2,022,737 in the budget ordinance (having the legal authority to spend) demonstrates the measured use of these reserve funds for critical projects approved by the Board of Commissioners.
- As reported in the prior year financial statements, Bertie County experienced significant flooding during both Tropical Storm Julia in September 2016 and with Hurricane Matthew in October 2016, which resulted in the loss of three County facilities—Lawrence Memorial Public Library, Cooperative Extension Office building and EMS Station One in Windsor.

Recovery from these capital asset losses is a multiyear process, and significant grant funds have been approved to assist with the rebuilding for all three facilities. However, recovery grant funds are available on a reimbursement basis, and Bertie County must utilize its General Fund reserves (fund balance) to rebuild these facilities and subsequently apply for reimbursement for federal, state and Golden LEAF Foundation funds to support these projects.

- In the five most recent fiscal years, the Board of Commissioners has approved the investment of appropriated fund balance reserves for major capital improvements such as the building renovations for the Sheriff's Law Enforcement and Communications Center, the rehabilitation of existing physical assets including the Bertie County Courthouse built in 1887, the recent upgrades to the County Administration Building, and to address deferred maintenance activities for many of the county facilities supported by the General Fund, which had been neglected for nearly a decade.

## Bertie County, North Carolina Management's Discussion and Analysis

It should also be noted that the Board of Commissioners has invested these reserved funds from the General Fund to provide enhanced security measures for the Courthouse and administrative building as a component of the renovation process.

### Major Capital Projects (excluding regional water system & flood recovery using fund balance reserves)

\$	200,000	Bertie-Martin Regional Jail renovations - County share	
\$	74,995	Old County Building (Cooperative Extension offices)	
\$	251,181	Sheriff's Law enforcement Center & 911 Communications	
\$	163,050	Blue Jay Recreation Park improvements (over 3 fiscal years)	
\$	936,818	Courthouse Renovations (over 5 fiscal years) project details:	
		Foundation and structural reinforcement (RAM JACK)	\$ 143,087
		Juris Link - secure video link with BMRJ and BCI facilities	\$ 57,000
		Sally Port, inmate transfer tunnel & security corridor (including metal detectors and demolition / reconstruction)	\$ 245,147
		Video surveillance system	\$ 99,054
		<b>Phase One courthouse renovations (excluding foundation)</b>	<b>\$ 392,530</b>
		Painting & Sandblasting (exterior)	
		Scaffolding, equipment (lifts, compressor) & fencing rental	
		Window replacement (materials and labor)	
		Custom shutters	
		Painting, casework and flooring (interior)	
\$	1,626,044	<b>Total - pay as you go (major capital projects since FY2013-2014)</b>	

#### ***Not including minor projects absorbed in Public Buildings budget:***

DRC building moisture remediation (carpet and paint)  
Council on Aging / Recreation Department (roof replacement)  
Maintenance Building expansion by 50%  
Water Department operation center equipment storage

- A close examination of the Finance Officer's presentation of the changes in fund balance for the General Fund reflects the governing body's effort to maintain stability in cash reserves through the strategic use of these funds for critical capital projects on a "pay as you go" funding basis over multiple fiscal years rather than increasing the indebtedness for the General Fund.

## Bertie County, North Carolina Management's Discussion and Analysis

### Bertie County General Fund Net Changes in Fund Balance (using Exhibit 6 historical data) and revaluation years are highlighted

Fiscal Year	Net Change	Fund Balance
1999-2000	\$ 136,555	\$ 4,576,226
2000-2001	\$ 157,505	\$ 4,733,731
2001-2002	\$ 375,706	\$ 5,109,437
2002-2003	\$ 397,791	\$ 5,507,228
2003-2004	\$ 951,438	\$ 6,458,666
2004-2005	\$ 287,067	\$ 6,745,733
2005-2006	\$ (376,921)	\$ 6,368,812
2006-2007	\$ 682,229	\$ 7,051,038
2007-2008	\$ (21,197)	\$ 7,029,841
2008-2009	\$ (423,025)	\$ 6,606,816
2009-2010	\$ 556,810	\$ 7,163,626
2010-2011	\$ (49,930)	\$ 7,113,696
2011-2012	\$ (601,157)	\$ 6,512,539
2012-2013	\$ 535,608	\$ 7,048,167
2013-2014	\$ 650,080	\$ 7,698,247
2014-2015	\$ (620,906)	\$ 7,077,341
2015-2016	\$ (696,478)	\$ 6,380,863
2016-2017	\$ 347,053	\$ 6,727,916
2017-2018	\$ (319,256)	\$ 6,408,660

- The fiscal year ended June 30, 2018 reflects a total fund balance for the General Fund of \$6,408,660 as noted in Exhibit 6 on the Statement of Revenues, Expenditures, and Changes in Fund Balance which is a decrease \$319,256 from the beginning balance on July 1, 2017.
- Maintaining adequate cash reserves and fund balances allows the County to meet its commitments for debt service payments, appropriations to the school system and general county obligations for monthly operating expenses and payroll. The Board of Commissioners approves capital projects and major program initiatives, while being mindful of the burden on taxpayers and the need to maintain a stable cash position for the County at all times, and maintaining financial stability from year to year.
- Bertie County's total debt outstanding as of June 30, 2018 is \$60,068,272 and for the reader who may compare the County's financial statements from the fiscal year ended June 30, 2017 this figure may appear to have changed significantly. Long-term debt outstanding for Bertie County for the fiscal year ended June 30, 2017 was reported as \$50,143,672. The NC Local Government Commission has provided revised reporting guidelines for this information based on recent interpretations for GASB accounting standards, clarifying the presentation of limited obligation bonds related to the County's water system.

## Bertie County, North Carolina Management's Discussion and Analysis

- The governing body's strategic decision to refinance the general obligation bonds for the County's water system originally issued in the mid to late 1990s, occurred in 2013 with the issuance of \$11,770,000 of Limited Obligation Bonds for Water Districts I, II, III, and IV totaling \$12,267,100 in par amount. This effort yielded a "true interest cost" for the Bonds of 3.58% with a final maturity of June 1, 2040.
- Bertie County, through this diligence by the governing body achieved the following debt service savings:
  - Gross Savings: \$ 2,401,046.21
  - Net Present Value Savings: \$ 1,583,349.10
  - Net Present Value % Savings: 12.91%
- In the fiscal year ending June 30, 2018, the governing body continued its examination of unfunded actuarial liability for other post-employment benefits (OPEB) and the impact on the County's cash position stability relative to fund balance reserves for future accounting reporting and adherence to increasing financial impacts. At issue is the cost of health insurance requirements for retired county employees, and the expenditure for this obligation in this year is \$421,039. The budgeted amount for retiree health insurance in FY 2018-2019 is \$437,500 and the Board of Commissioners is continuing to review the impact for taxpayers to meet this long-term obligation.
- A full discussion of the County's OPEB obligations can be found beginning on page 67. For the fiscal year ended June 30, 2018 the Net OPEB Obligation for the County is \$14,898,665, an increase of \$9,846,725 from the prior year. As stated in this report, "as of December 31, 2017, the plan was not funded. The actuarial liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$14,898,665."
- For several years the Board of Commissioners has set forth aggressive plans to address the County's long-term liabilities and OPEB obligations in advance of the implementation of the new GASB 74 and 75 requirements.
- Employees hired after July 1, 2016 will not be eligible for retiree health insurance.
- Beginning with the fiscal year ended June 30, 2017 the governing body established an annual funding appropriation in the adopted budget ordinance for contributions to an irrevocable trust OPEB reserve to meet future retiree health insurance obligation in the amount of \$242,400 per year.
- For the fiscal year ended June 30, 2018 as reflected in Exhibit 3, the contributions to the OPEB trust reserve total \$484,800.



## Bertie County, North Carolina Management's Discussion and Analysis

- It is important to note that the Board of Commissioners has also placed a very high priority on revenue activities in the past five years, and the tax collection rate for the fiscal year ended June 30, 2018 experienced the highest collection rate in more than a decade.
- Tax collection rate was 97.29 for FY 2017-2018.
- The tax collection rate for the fiscal year ended June 30, 2018 is the highest collection rate in more than a decade and reflects the diligence of the Tax Office staff and support from the County Attorney for expediting the foreclosure process on delinquent tax accounts.
- Currently, there are fifty (50) accounts in bankruptcy, seventy-three (73) accounts in foreclosure, fifty-eight (58) accounts under wage garnishment, and 156 accounts with payment plans established by the tax administrator.
- In addition, the County continues to review and audit business personal property accounts, the discoveries for which, generated eight (8) delinquent accounts as of June 30, 2018 and are now paid in full in the amount of \$26,981.

## Bertie County, North Carolina Management's Discussion and Analysis

### Tax Information

#### General Information

	FISCAL YEAR ENDED JUNE 30					
	2013	2014	2015	2016	2017	2018
Assessed Valuation:						
Assessment Ratio <sup>1</sup>	100%	100%	100%	100%	100%	100%
Real Property	\$ 916,081,196	\$ 915,477,073	\$ 916,963,491	\$ 989,446,045	\$ 952,015,343	\$ 935,148,152
Personal Property	\$ 259,743,453	\$ 309,974,112	\$ 311,579,579	\$ 261,882,753	\$ 327,797,144	\$ 326,085,402
Public Service Companies <sup>2</sup>	\$ 41,464,080	\$ 45,567,048	\$ 45,567,048	\$ 59,784,401	\$ 60,349,819	\$ 60,349,819
Total Assessed Valuation	\$ 1,217,288,729	\$ 1,271,018,233	\$ 1,274,110,118	\$ 1,311,113,199	\$ 1,340,162,306	\$ 1,321,583,373
at Rate per \$100	0.78	0.84	0.84	0.84	0.83	0.83
Levy <sup>3</sup>	\$ 9,494,852.09	\$ 10,653,456.04	\$ 10,702,524.99	\$ 11,013,350.87	\$ 11,123,213.99	\$ 10,969,142.00

<sup>1</sup>Percentage of appraised value has been established by statute.

<sup>2</sup>Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

<sup>3</sup>Includes discoveries, releases, and abatement.

### Tax Collections.

FISCAL YEAR ENDED JUNE 30	PRIOR YEARS' LEVY COLLECTED	CURRENT YEAR'S LEVY COLLECTED	PERCENTAGE OF CURRENT YEAR'S LEVY COLLECTED
2008	\$ 417,432	\$ 7,966,251	95.66%
2009	369,926	8,108,694	95.98%
2010	371,562	8,165,170	96.09%
2011	356,111	8,229,415	96.33%
2012	325,136	8,297,321	96.00%
2013	346,814	9,032,179	95.13%
2014	427,415	10,274,111	96.40%
2015	316,093	10,259,496	95.86%
2016	464,204	10,598,564	96.23%
2017	408,098	10,647,937	95.73%
2018	420,157	10,672,111	97.29%

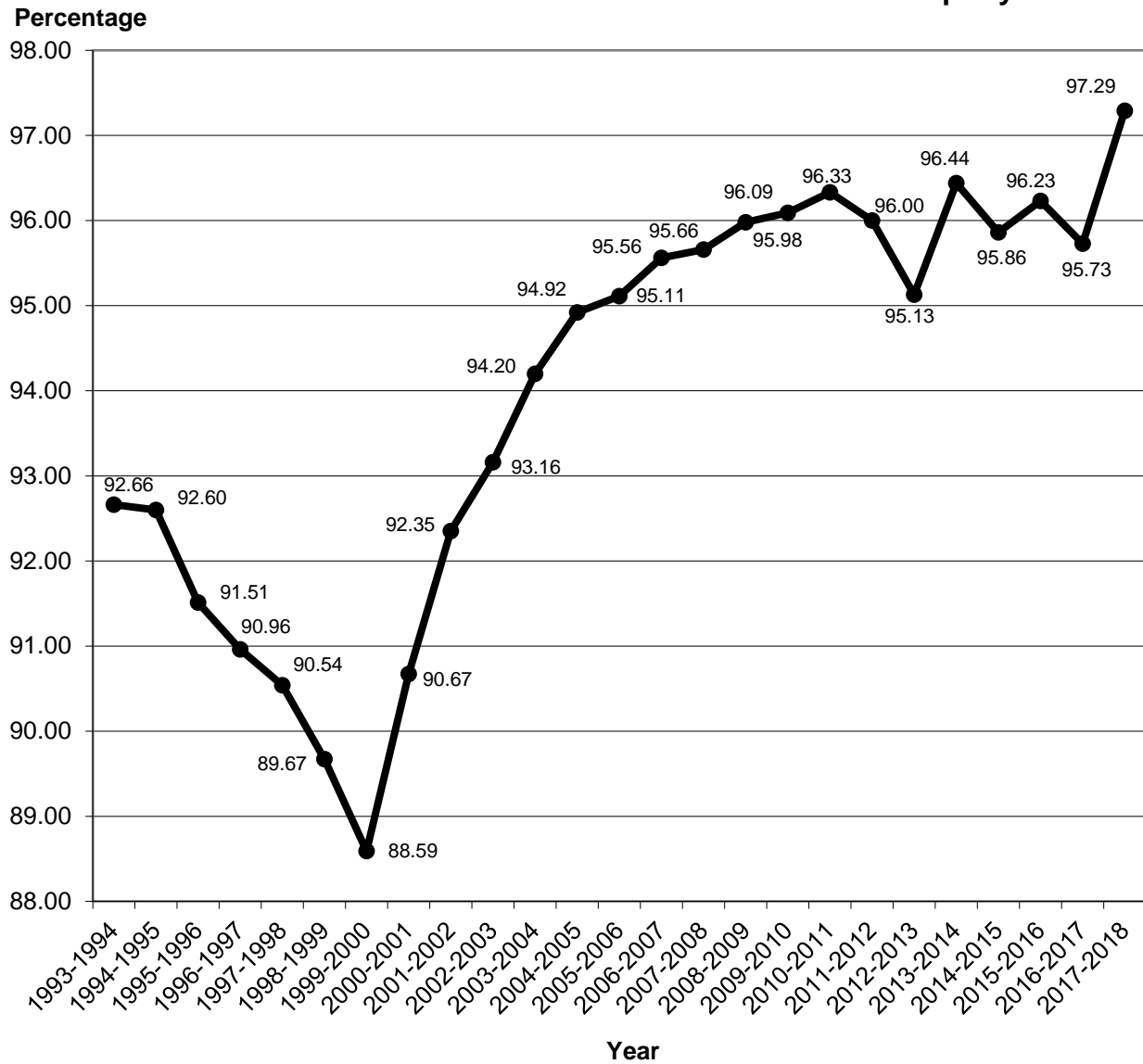
### *Ten Largest Taxpayers for the Fiscal Year Ended June 30, 2018*

Name	Type of Enterprise	Assessed Valuation	Tax Levy
Perdue Foods LLC	Poultry Processing	\$ 48,468,017	\$ 461,085
Meadows 163 LLC	Timberland Management	21,132,617	175,401
Avoca LLC	Botanical Extraction	19,339,407	160,517
Weyerhaeuser Company	Timberland Management	19,233,039	159,634
Rial Corporation	Land Development	16,069,537	133,377
Republic Services of NC LLC	Waste Industry / Landfill	12,986,242	107,786
Valley Proteins Inc	Rendering / Recycling	4,642,813	41,603
Maxwell Foods LLC	Pork / Poultry Processing	4,387,516	32,294
Livermans Metal Recycling Inc	Scrap Metal Processing	3,433,884	30,978
Innsbrook Golf & Marina LLC	Land Development	3,690,042	30,652



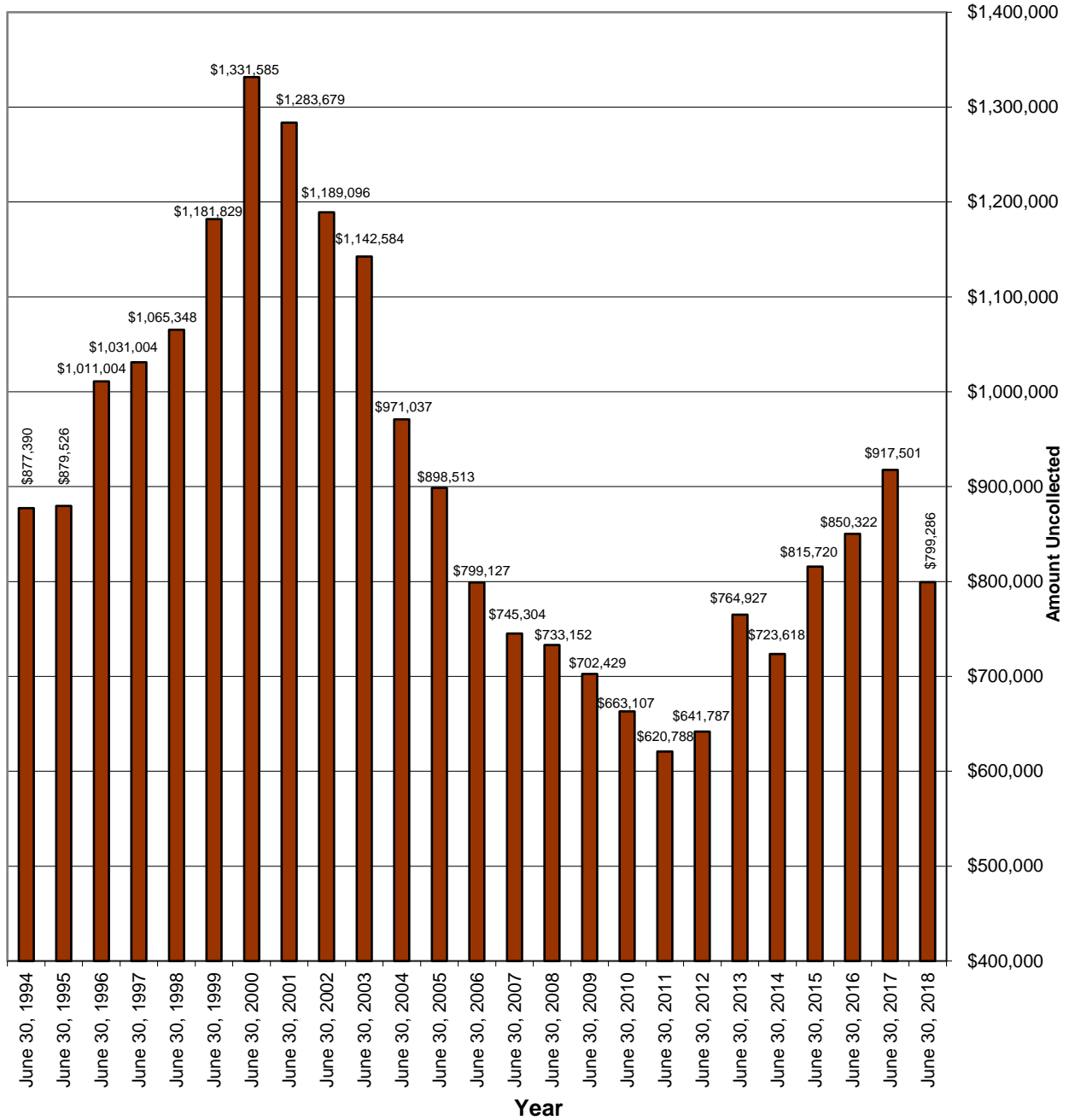
## Bertie County, North Carolina Management's Discussion and Analysis

### Current Year Tax Collection Rate - All Property



## Bertie County, North Carolina Management's Discussion and Analysis

**Delinquent Taxes Owed to Bertie County**  
(Each Year Includes the Current Year Plus the Prior 9 Years)



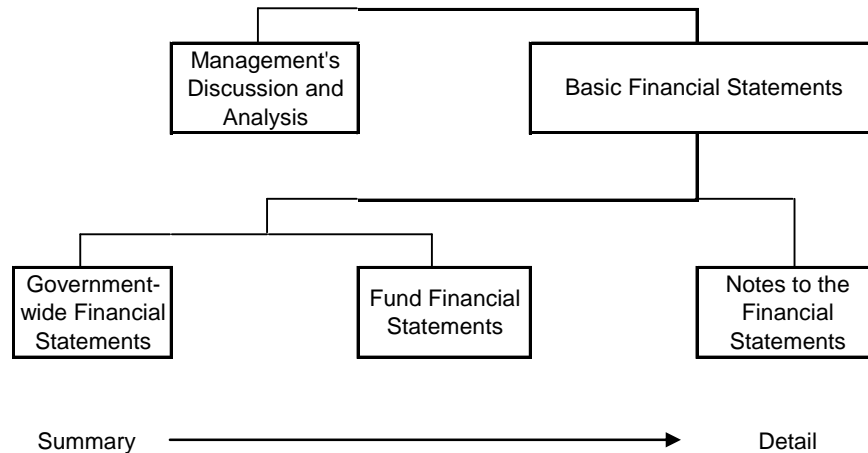
# Bertie County, North Carolina Management's Discussion and Analysis

## Overview of the Financial Statements

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

### Required Components of Annual Financial Report

Figure 1



## Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's major and non-major governmental

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funds and internal service funds, with the non-major funds added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plan and other postemployment benefits.

### **Government-wide Financial Statements**

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water services offered by Bertie County. The final category is the component unit. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute a portion of its profits to the County.

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

### **Fund Financial Statements**

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

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be

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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.

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

**Proprietary Funds** – Bertie County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Bertie County uses enterprise funds to account for its water operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Bertie County has four fiduciary funds, one of which is a pension trust fund and three 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 38 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Bertie County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 85 of this report.

**Interdependence with Other Entities** – The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues

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based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with US Treasury Securities because of actions by foreign government and other holders of publicly held US Treasury Securities.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$15,370,135 as of June 30, 2018. The County's net position decreased by \$9,968,490 for the fiscal year ended June 30, 2018. One of the largest portions \$25,855,377 (168.22%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Bertie County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bertie 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. An additional portion of Bertie County's net position \$2,336,940 (15.20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(12,822,182) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 11,771,004	\$ 13,291,739	\$ 2,088,909	\$ 1,865,588	\$ 13,859,913	\$ 15,157,327
Capital assets	30,503,006	30,837,861	31,615,122	28,650,647	62,118,128	59,488,508
<b>Total assets</b>	<b>42,274,010</b>	<b>44,129,600</b>	<b>33,704,031</b>	<b>30,516,235</b>	<b>75,978,041</b>	<b>74,645,835</b>
Total deferred outflows of resources	1,633,405	2,120,820	88,598	123,083	1,722,003	2,243,903
Current and other liabilities	610,237	706,857	676,952	557,801	1,287,189	1,264,658
Long-term liabilities outstanding	44,474,863	37,224,561	15,593,409	12,919,111	60,068,272	50,143,672
<b>Total liabilities</b>	<b>45,085,100</b>	<b>37,931,418</b>	<b>16,270,361</b>	<b>13,476,912</b>	<b>61,355,461</b>	<b>51,408,330</b>
Total deferred inflows of resources	945,840	138,100	49,582	4,683	995,422	142,783
Net position:						
Net investment in capital assets	8,426,712	8,493,749	17,428,665	18,155,903	25,855,377	26,649,652
Restricted	2,336,940	3,093,537	-	-	2,336,940	3,093,537
Unrestricted	(12,866,203)	(3,406,384)	44,021	(998,180)	(12,822,182)	(4,404,564)
<b>Total net position</b>	<b>\$ (2,102,551)</b>	<b>\$ 8,180,902</b>	<b>\$ 17,472,686</b>	<b>\$ 17,157,723</b>	<b>\$ 15,370,135</b>	<b>\$ 25,338,625</b>

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

- Continued diligence in the listing of business personal property and the collection of property taxes, both current year levy and prior year delinquent taxes.
- Revenues were higher than budgeted in ad valorem taxes, sales taxes, beer and wine taxes, state funding for aging, and other miscellaneous revenues and refunds.

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- Savings were realized in several departments due to lapsed salaries, as well as unspent supplies, utilities and equipment appropriations.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 5,293,196	\$ 5,091,169	\$ 2,635,088	\$ 2,457,619	\$ 7,928,284	\$ 7,548,788
Operating grants and contributions	4,342,663	5,420,257	-	-	4,342,663	5,420,257
Capital grants and contributions	49,318	495,000	1,202,418	110,421	1,251,736	605,421
<b>General revenues:</b>						
Property taxes	10,441,990	10,614,702	-	-	10,441,990	10,614,702
Other taxes	2,982,334	2,586,366	-	-	2,982,334	2,586,366
Investment earnings	768,923	744,507	11,176	4,243	780,099	748,750
Miscellaneous	500,538	372,701	82,027	1,620	582,565	374,321
<b>Total revenues</b>	<b>24,378,962</b>	<b>25,324,702</b>	<b>3,930,709</b>	<b>2,573,903</b>	<b>28,309,671</b>	<b>27,898,605</b>
<b>Expenses:</b>						
General government	5,902,422	4,777,597	-	-	5,902,422	4,777,597
Public safety	8,319,312	8,427,519	-	-	8,319,312	8,427,519
Environmental protection	479,678	470,273	-	-	479,678	470,273
Economic and physical development	715,542	633,106	-	-	715,542	633,106
Human services	4,676,058	5,328,989	-	-	4,676,058	5,328,989
Education	3,460,267	3,473,437	-	-	3,460,267	3,473,437
Special appropriations	717,595	550,332	-	-	717,595	550,332
Interest and fees on long-term debt	1,162,771	1,203,522	-	-	1,162,771	1,203,522
Water districts	-	-	3,059,139	2,696,297	3,059,139	2,696,297
<b>Total expenses</b>	<b>25,433,645</b>	<b>24,864,775</b>	<b>3,059,139</b>	<b>2,696,297</b>	<b>28,492,784</b>	<b>27,561,071</b>
Increase (decrease) in net position	(1,054,683)	459,927	871,570	(122,394)	(183,113)	337,534
Net position, beginning	8,180,902	7,827,539	17,157,723	17,280,117	25,338,625	25,107,656
Net position, beginning, restated	(1,047,868)	7,720,975	16,601,116	17,280,117	15,553,248	25,001,092
<b>Net position, June 30</b>	<b>\$ (2,102,551)</b>	<b>\$ 8,180,902</b>	<b>\$ 17,472,686</b>	<b>\$ 17,157,723</b>	<b>\$ 15,370,135</b>	<b>\$ 25,338,626</b>

**Governmental activities.** Governmental activities decreased the County's net position by \$1,054,683. Key elements of this decrease are as follows:

- Sales tax receipts which exceeded conservative budget projections.
- Increase in investment earnings due to QSCB interest on cash investments.
- Increased tax revenues as a result of improved efforts to discover previously unlisted business personal property for prior years.

**Business-type activities:** Business-type activities increased Bertie County's net position by \$871,570. Key elements of this decrease are as follows:

- During the fiscal year ended June 30, 2018 the County began the closeout process for large projects in the Capital Improvement Program for the regional water system (business-type activities) which included significant commitments of local matching funds and were initiated by the Board of Commissioners in 2014.

## Bertie County, North Carolina Management's Discussion and Analysis

- Increased water sales revenue resulting from water rate adjustments effective July 1, 2014 continue to contribute to the overall improved net position for the water system.

### Financial Analysis of the County's Funds

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

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

The General fund is the chief operating fund of Bertie County. At the end of the current fiscal year, Bertie County's unassigned fund balance in the General Fund was 1,729,650, while total fund balance reached \$7,227,139. The Governing Body of Bertie County has determined that the County should maintain an available fund balance of 10% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County.

- Bertie County's reported available fund balance for the prior year (2017) was \$4,704,548.
- Bertie County's available fund balance for the fiscal year ended June 30, 2018 is \$4,936,424 which is an increase of \$213,876 or 4.5 percent above the prior year.
- The NC Local Government Commission recommends that units of local government maintain a minimum of eight percent (8%) fund balance to cover cash flow and operating cycle, emergency reserves and credit rating requirements.
- Bertie County's available fund balance for appropriation is 19.44 percent of total general fund expenditures for the fiscal year ended June 30, 2018.

The County currently has an unassigned available fund balance of 6.81% of general fund expenditures, while total fund balance represents 28.46% of that same amount, of \$25,390,579.

At June 30, 2018, the governmental funds of Bertie County reported a combined fund balance of \$7,357,550, an 8.25% decrease over last year.



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### Statutory Calculation of Fund Balance Available for Appropriation At June 30 Restricted - Stabilization by State Statute

	6/30/2011 and Later		Without Including Restricted Cash
<u>Calculation</u>	Total		Restricted Cash
<b><u>Fund Balance Available for Appropriation - G.S. §159-8(a)</u></b>			
Unrestricted Cash and Investments .....	\$ 4,250,912		\$ 4,250,912
Restricted cash and investments (This would normally include Powell Bill, Bond Proceeds, consolidated funds such as capital reserve funds or tax revaluation funds)	1,328,655		
Liabilities excluding those to be paid from restricted cash .....	604,468		604,468
Liabilities to be paid from restricted cash not included above			
Encumbrances at June 30 (listed in the notes).....			---
Deferred or Unearned Revenues Arising from Cash Receipts .....	38,675		38,675
<b>✓ Fund Balance Available for Appropriation .....</b>	<b>\$ 4,936,424</b>		<b>\$ 3,607,769</b>

Total Fund Balance (From Audited Financial Statements) .....	7,227,139
Total Restricted by State Statute.....	\$ 2,290,715

**Restricted by State Statute Presented on Financial Statements**

<u>Less</u> Non Spendable - Inventory .....	
Non Spendable - Prepays	
Other Non Spendable amounts	---
<b>✓ Restricted - Stabilization by State Statute (LGC calculation) .....</b>	<b>\$ 2,290,715</b>

Restricted - Stabilization by State Statute (From Audited Financial Statemen	\$ 2,290,715
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**Restricted - Stabilization by State Statute Correctly Reported.**

	Total		Without Including Consolidated Funds
<b><u>Analysis</u></b>			
<b><u>Expenditures - General Fund</u></b>			
Total Expenditures - General Fund .....	\$ 25,390,579		\$ 25,390,579
<b><u>Adjustments</u></b>			
Transfers Out .....			---
Issuance of Capital Leases & Installment Purchases .....			---
Total Expenditures (As Adjusted) .....	\$ 25,390,579		\$ 25,390,579
<b>✓ Fund Balance Available as % of Expenditures .....</b>	<b>19.44 %</b>		<b>14.21 %</b>

Counties and Municipalities may use this link to compare current information with their performance in prior fiscal years or with the ratios of their peer group.

[North Carolina County and Municipal Financial Information](#)

Prepared By:	On Date:

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

**Proprietary Funds.** Bertie County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water districts equaled \$44,021. There was an increase in net position of \$871,550. Other factors concerning the finances of these funds have already been addressed in the discussion of Bertie County's business-type activities.

### Capital Asset and Debt Administration

**Capital assets.** Bertie County's capital assets for its governmental and business – type activities as of June 30, 2018, totals \$62,118,128 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

**Bertie County's Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,693,469	\$ 1,693,469	\$ 129,994	\$ 129,994	\$ 1,823,463	\$ 1,823,463
Building and system Improvements	24,649,144	25,248,752	28,791,360	26,189,143	53,440,504	51,437,895
Machinery and equipment	729,761	699,733	-	-	729,761	699,733
Vehicles and motorized equipment	1,816,226	1,585,344	-	-	1,816,226	1,585,344
Construction in progress	1,154,652	1,089,331	18,160	39,075	1,172,812	1,128,406
	459,754	521,232	2,675,608	2,292,435	3,135,362	2,813,667
<b>Total</b>	<b>\$ 30,503,006</b>	<b>\$ 30,837,861</b>	<b>\$ 31,615,122</b>	<b>\$ 28,650,647</b>	<b>\$ 62,118,128</b>	<b>\$ 59,488,508</b>

Additional information on the County's capital assets can be found in Note II.A.5.

**Long-term Debt.** As of June 30, 2018, Bertie County had total debt outstanding of \$60,068,272.

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**Bertie County's Outstanding Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Limited obligation bonds	20,060,000	20,345,000	9,935,000	10,320,000	29,995,000	30,665,000
Installment purchases	7,600,468	8,962,126	2,562,278	174,744	10,162,746	9,136,870
Bond anticipation note	-	-	-	1,526,038	-	1,526,038
Revenue bond	-	-	1,689,179	-	1,689,179	-
Original issue discount	-	-	(39,753)	(41,919)	(39,753)	(41,919)
Original issue premium	-	-	475,093	500,996	475,093	500,996
Compensated absences	400,960	404,866	27,932	26,682	428,892	431,548
Net pension obligation	462,633	475,161	-	-	462,633	475,161
Net pension liability	1,891,135	2,264,404	104,682	133,634	1,995,817	2,398,038
Net OPEB liability	14,059,667	-	838,998	-	14,898,665	-
Other postemployment benefits	-	4,773,004	-	278,936	-	5,051,940
<b>Total</b>	<b>\$ 44,474,863</b>	<b>\$ 37,224,561</b>	<b>\$ 15,593,409</b>	<b>\$ 12,919,111</b>	<b>\$ 60,068,272</b>	<b>\$ 50,143,672</b>

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 Bertie County is \$78,066,202.

### **Budget overview for the Fiscal Year Ended June 30, 2018**

Governmental Activities - and personnel related costs

FY 2017-2018 County employee payroll:	\$ 8,456,083
Health insurance coverage for employees:	\$ 1,456,910
Health insurance coverage for retirees:	\$ 421,039
Contribution (OPEB) for future retiree health insurance:	\$ 242,400
Contribution for NC Local Government Employee Retirement System:	\$ 645,897
Contribution for NC 401k for law enforcement and all other staff:	\$ 244,528
<b>Total</b>	<b>\$ 11,466,857</b>

**Human Resources and staffing requirements for County Services**—In FY 2012-2013 Bertie County budgeted for 147 positions, and as of the year ended June 30, 2018 the County budgeted for 226 positions. At the time this report was produced, the number of positions is 234. Much of this financial report focuses on long term liabilities and unfunded OPEB liability based on actuarial assumptions which are now calculated at \$14,898,665 using GASB 74 and 75. In the fiscal year ended June 30, 2017 the OPEB liability was estimated at \$5,051,940.

Most of the staffing expansion experienced since FY 2012-2013 is directly related to public safety functions, both law enforcement and emergency services.

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### Emergency Services enhancements since October 1, 2013

FY 2017-2018 represents the third complete fiscal year of operations with EMS Paramedic program working in tandem with the Non-Emergency Transport Service. EMS Paramedic services expenditures for the fiscal year ended June 30, 2018 were \$2,400,434 and were partially offset by operating revenue of \$1,005,350. Likewise, Non-Emergency Transport Service expenditures for the same period were \$967,604 and operating revenues of \$1,107,033 yielded a net gain for the General Fund of \$139,429. Examined collectively, the EMS Paramedic program and Non-Emergency Transport Service, when aggregated for total service costs, including the Medicaid cost settlement receipts of \$364,415 required a net tax support appropriation of \$891,240 for the fiscal year ended June 30, 2018. In FY 2018 however, Bertie County acquired new vehicles for the EMS Paramedic and Non-Emergency Transport Service, and after adjusting for debt service payments on ambulances financed through USDA Rural Development, the total net tax support appropriation requirement is \$984,607 for the fiscal year ended June 30, 2018.

The FY 2017-2018 aggregate monthly operational support requirement reflects an expenditure of \$82,051 per month for both EMS Paramedic and Non-Emergency Transport, which is \$7,731 per month less than the prior year, an 8.61 percent reduction.

In terms of prior year monthly operational support, \$89,782 per month was required for FY 2017; \$106,664 per month was required for FY 2016; and \$112,809 per month was required for FY 2015. The Board of Commissioners has set a goal for annual net tax support of \$700,000 or \$58,333 per month by the fifth year of full operations for both combined units.

Achieving this target is predicated on continued growth in the Non-Emergency Transport Service. For the fiscal year ended June 30, 2018 non-emergency transports averaged 352.75 per month. FY 2017 non-emergency transports averaged 324 per month; FY 2016 non-emergency transports averaged 148.8 per month; and FY 2015 non-emergency transports averaged 42 per month.

The growth in the non-emergency transport service has yielded positive cashflow for the two most recent fiscal years and helps to offset the County's primary mission of providing the highest level of pre-hospital care (EMS Paramedic) on a seven day per week, 24 hour basis with staffing for four (4) emergency response ambulances; one in the Town of Aulander, one in the Town of Colerain and two units in Windsor.

From an historical perspective, it is important to note that during FY 2013-2014 the Board of Commissioners implemented a new approach to providing Emergency Medical Services, making a significant transition from a "fractured" delivery system of four independently operated non-profit organizations with a mix of paid and volunteer personnel, to a county department operating 24 hours, 7 days a week. The governing body's effort was predicated on North Carolina Administrative Code requirements that County Government shall establish EMS Systems.

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The NC Administrative Code further requires that each EMS system shall have: a defined geographic service area or areas; and the highest level of care offered within any EMS provider service area must be available to (all) citizens within the service area 24 hours per day.

In 2010, the Board of Commissioners received an independent consultant's report, **EMS & Rescue Services Operations Assessment**, which evaluated Bertie County's compliance with NC General Statutes and its adherence to State EMS operational regulations. Specifically, the State requires each EMS system be "a coordinated arrangement of resources, including personnel, equipment, and facilities, organized to respond to medical emergencies and integrated with other health care providers." Further, that "the County shall establish an EMS system and that it be available to all citizens 24 hours per day."

The consultant's report concluded that based on operations and activities observed, assessments of available (and unavailable) data and feedback from all parties to this study suggest that in fact; **"there is no EMS 'system' in Bertie County."** The report summarizes the situation as follows:

"Although for the state's purposes, by virtue of the statutory responsibility that all North Carolina Counties provide EMS, Bertie County is classified as an EMS 'system.' In reality, EMS in Bertie County is a function of four (4) independently incorporated, and separate non-profit organizations; some paid, some volunteer, some providing 'Intermediate' level of care, others providing only 'Basic,' some providing service 24 hour-7 day a week coverage while another does not."

In FY 2013-2014, the Board established a separate County EMS department operating at the highest pre-hospital level of care, paramedic, providing coverage countywide on a 24-hour basis with permanent squads stationed at three municipal locations in the County. Nine months of operations for the fiscal year ended June 20, 2014 resulted in actual expenditures of \$1,087,239 for the EMS Paramedic program and actual revenues of \$397,284 for a net tax support requirement of \$690,000 from General Fund. Prior to FY 2013-2014, the County allocated \$135,000 in local funds to the four independent ambulance providers. After adjusting for the original funding support of \$135,000 the County's increased net tax support requirement was \$555,000 for the fiscal year ended June 30, 2014.

In the subsequent fiscal years, the governing body initiated more aggressive EMS billing and collection activities with a new vendor, which has greatly improved revenue performance. Additionally, the County initiated non-emergency transport services which are improving revenues and significantly reducing the General Fund's overall net tax support requirement for ambulance services in the County.

### **Business – type Activities:**

Bertie County's Regional Water System operating revenues for the fiscal year ended June 30, 2018 total \$2,635,088 or \$177,469 more than the prior year which is primarily attributable to the decline in the inmate population at the state prison in Windsor due to staffing shortage.

## Bertie County, North Carolina Management's Discussion and Analysis

Expenditures for the Regional Water System are reported as \$2,670,677 on Exhibit 8 and include local match grant commitments for capital project financing totaling \$39,376 and is consistent with the change in net position. The operating income loss of \$35,589 for the fiscal year ended June 30, 2018 represents a significant adjustment as compared with the operating gain of \$161,901 for the fiscal year ended June 30, 2017.

The Board of Commissioners has actively sought to achieve the merger and consolidation of the County's regional water system with the Towns of Roxobel and Lewiston-Woodville and was successful in securing financing through the NC Drinking Water state revolving fund including a \$500,000 grant which reflects principal forgiveness for this loan. Additionally, the Board of Commissioners consolidated Water District III with the South Windsor Association community water system in 2014 and has secured \$3,055,000 in USDA Rural Development financing, of which \$1,074,000 is a federal grant.

The water rates for residential, commercial and institutional customers in the County increased on July 1, 2014 for all four water districts. The Board of Commissioners engaged a new consulting engineering firm to perform a complete water system evaluation and operational review. Most notable in its findings, were the consultant's analysis of water rates and water production costs. Bertie County's cost of water production (excluding debt service) was calculated at \$4.50 per 1,000 gallons and its rate structure for commodity sales was \$3.48 per 1,000 gallons for a net financial loss of \$1.02 per 1,000 gallons sold. Hence, the need for immediate corrective action and the consumer rate adjustments approved by the Board for the subsequent fiscal year in all four water districts.

Additionally, the system evaluation noted during the last four calendar years, the County averaged a forty-six percent (46%) unaccounted water loss which equates to more than 500,000 gallons per day for the Bertie County Regional Water System comprised of the four water districts. The consult's report identified the most likely contributing factors including line leaks, water storage overflows, meter accuracy, basic data logging, and non-reporting due to analog technology failures. Further investigation confirmed both faulty and non-existing altitude valves on elevated storage tanks, well performance deficiencies, meter inaccuracies and malfunctioning telemetry system communication network connections. At the close of the fiscal year ended June 30, 2018 the new telemetry system has been installed and testing is underway.

As noted in prior year financial statements, the Board of Commissioners directed management staff to immediately address these issues and provided funding allocated in the subsequent fiscal year to address each of these issues. The Board also commissioned the development of a water system asset management plan, and a five-year capital improvement plan including authorization to seek grant funding through state and federal programs.

### 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



**Bertie County, North Carolina  
Management's Discussion and Analysis**

additional information should be directed to the Director of Finance, Bertie County, PO Box 530, Windsor, NC 27983.

**Bertie County, North Carolina**  
**Statement of Net Position**  
**June 30, 2018**  
**Exhibit 1**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,369,742	\$ 1,430,453	\$ 5,800,195	\$ 66,192
Receivables, (net)	2,975,304	229,562	3,204,866	-
Grants receivable	-	192,241	192,241	-
Notes receivable	3,097,303	-	3,097,303	-
Inventories	-	-	-	93,204
Restricted cash and cash equivalents	1,328,655	236,653	1,565,308	-
Total current assets	11,771,004	2,088,909	13,859,913	159,396
Net pension asset	20,974	-	20,974	-
Capital assets:				
Land, improvements, and construction in progress	2,153,223	2,805,602	4,958,825	23,000
Other capital assets, net of depreciation	28,349,783	28,809,520	57,159,303	9,898
Total capital assets	30,503,006	31,615,122	62,118,128	32,898
Total assets	42,294,984	33,704,031	75,999,015	192,294
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	1,633,405	88,598	1,722,003	8,552
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	610,237	211,516	821,753	58,783
Liabilities to be paid from restricted assets	-	465,436	465,436	-
Long-term liabilities				
Due within one year	2,144,466	607,733	2,752,199	-
Due in more than one year	42,330,397	14,985,676	57,316,073	335,370
Total long-term liabilities	44,474,863	15,593,409	60,068,272	335,370
Total liabilities	45,085,100	16,270,361	61,355,461	394,153
<b>DEFERRED INFLOWS OF RESOURCES</b>	945,840	49,582	995,422	13,089
<b>NET POSITION</b>				
Net investment in capital assets	8,426,712	17,428,665	25,855,377	32,898
Restricted for:				
Drug task force	1,191	-	1,191	-
Stabilization by State Statute	2,335,749	-	2,335,749	-
Working capital	-	-	-	23,976
Unrestricted (deficit)	(12,866,203)	44,021	(12,822,182)	(263,270)
Total net position	\$ (2,102,551)	\$ 17,472,686	\$ 15,370,135	\$ (206,396)

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



**Bertie County, North Carolina**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**  
**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
<b>Primary government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 5,902,422	\$ 112,196	\$ -	\$ -	\$ (5,790,226)	\$ -	\$ (5,790,226)	\$ -
Public safety	8,319,312	2,521,495	2,977	-	(5,794,840)	-	(5,794,840)	-
Environmental protection	479,678	1,817,819	289,529	-	1,627,670	-	1,627,670	-
Economic and physical development	715,542	-	186,710	49,318	(479,514)	-	(479,514)	-
Human services	4,676,058	841,686	3,863,447	-	29,075	-	29,075	-
<b>Intergovernmental:</b>								
Education	3,460,267	-	-	-	(3,460,267)	-	(3,460,267)	-
Special appropriations	717,595	-	-	-	(717,595)	-	(717,595)	-
<b>Debt service:</b>								
Interest and fees on long-term debt	1,162,771	-	-	-	(1,162,771)	-	(1,162,771)	-
<b>Total governmental activities</b>	<b>25,433,645</b>	<b>5,293,196</b>	<b>4,342,663</b>	<b>49,318</b>	<b>(15,748,468)</b>	<b>-</b>	<b>(15,748,468)</b>	<b>-</b>
<b>Business-type activities:</b>								
Water Districts	3,059,139	2,635,088	-	1,202,418	-	778,367	-	-
<b>Total business-type activities</b>	<b>3,059,139</b>	<b>2,635,088</b>	<b>-</b>	<b>1,202,418</b>	<b>-</b>	<b>778,367</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 28,492,784</b>	<b>\$ 7,928,284</b>	<b>\$ 4,342,663</b>	<b>\$ 1,251,736</b>	<b>\$ (15,748,468)</b>	<b>\$ 778,367</b>	<b>\$ (15,748,468)</b>	<b>\$ -</b>
<b>Component units:</b>								
ABC Board	\$ 801,386	\$ 801,617	\$ -	\$ -	\$ -	\$ -	\$ -	231
<b>Total component units</b>	<b>\$ 801,386</b>	<b>\$ 801,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>231</b>
<b>General revenues:</b>								
<b>Taxes:</b>								
Property taxes, levied for general purpose					10,441,990	-	10,441,990	-
Local option sales tax					2,649,903	-	2,649,903	-
Other taxes and licenses					332,431	-	332,431	-
Investment earnings, unrestricted					768,923	11,176	780,099	75
Miscellaneous, unrestricted					500,538	82,027	582,565	-
Profit distribution					-	-	-	(306)
<b>Total general revenues</b>					<b>14,693,785</b>	<b>93,203</b>	<b>14,786,988</b>	<b>(231)</b>
Change in net position					(1,054,683)	871,570	(183,113)	-
Net position-beginning, previously reported					8,180,902	17,157,723	25,338,625	(23,080)
Restatement					(9,228,770)	(556,607)	(9,785,377)	(183,316)
Net position - beginning, restated					(1,047,868)	16,601,116	15,553,248	(206,396)
<b>Net position-ending</b>					<b>\$ (2,102,551)</b>	<b>\$ 17,472,686</b>	<b>\$ 15,370,135</b>	<b>\$ (206,396)</b>

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

**Bertie County, North Carolina**  
**Balance Sheet – Governmental Fund**  
**June 30, 2018**  
**Exhibit 3**

	Major	Non-Major	Total
	General Fund	Other Governmental Funds	Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,250,912	\$ 118,830	\$ 4,369,742
Restricted cash	1,328,655	-	1,328,655
Receivables, (net):			
Taxes	681,829	-	681,829
Accounts	2,245,127	45,034	2,290,161
Due from other funds	45,589	-	45,589
Notes - Vidant Medical Center	2,679,020	-	2,679,020
Notes - Landmark Asset Services	288,683	-	288,683
Notes - Bertie Memorial Limited Partnership	129,600	-	129,600
<b>Total assets</b>	<b>11,649,415</b>	<b>163,864</b>	<b>11,813,279</b>
<b>LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued expenses	604,468	5,173	609,641
Due to other funds	-	28,280	28,280
<b>Total liabilities</b>	<b>604,468</b>	<b>33,453</b>	<b>637,921</b>
Deferred Inflows of Resources:			
Taxes receivable	681,829	-	681,829
Prepaid taxes	38,675	-	38,675
Notes receivable	3,097,303	-	3,097,303
<b>Total deferred inflows of resources</b>	<b>3,817,807</b>	<b>-</b>	<b>3,817,807</b>
Fund balances:			
Restricted:			
Drug task force	1,191	-	1,191
Stabilization for State Statute	2,290,715	45,034	2,335,749
Committed:			
Tax Revaluation	174,160	-	174,160
Education (Capital Reserve-Schools Fund)	644,319	-	644,319
OPEB Trust	484,800	-	484,800
Assigned:			
Subsequent years' expenditures	1,902,304	85,377	1,987,681
Unassigned	1,729,650	-	1,729,650
<b>Total fund balances</b>	<b>7,227,139</b>	<b>130,411</b>	<b>7,357,550</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,649,414</b>	<b>\$ 163,864</b>	

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

**Bertie County, North Carolina**  
**Balance Sheet – Governmental Fund**  
**June 30, 2018**  
**Exhibit 3**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	7,357,550
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,402,022
Net pension asset	20,974
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,507,457
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement on Net Position.	33,257
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	92,691
Net pension liability	(1,891,135)
Net OPEB liability	(14,059,667)
Total pension liability	(462,633)
Deferred inflows of resources for taxes and special assessments	3,779,132
Pension related deferrals	(125,930)
OPEB related deferrals	(781,235)
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	(28,061,427)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	86,393
<b>Net assets of governmental activities</b>	<b>\$ (2,102,551)</b>

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

**Bertie County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance – Governmental Fund**  
**For the Fiscal Year Ended June 30, 2018**  
**Exhibit 4**

	Major	Non-Major	
	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 11,213,686	\$ -	\$ 11,213,686
Other taxes and licenses	671,914	-	671,914
Intergovernmental revenues	6,268,594	341,042	6,609,636
Licenses and permits	222,793	-	222,793
Sales and services	3,993,578	-	3,993,578
Investment earnings	768,431	492	768,923
Miscellaneous	1,532,032	138,096	1,670,128
Total revenues	24,671,028	479,630	25,150,658
<b>EXPENDITURES</b>			
Current:			
General government	4,149,695	-	4,149,695
Public safety	8,427,367	174,564	8,601,931
Environmental protection	479,678	-	479,678
Economic and physical development	419,480	247,409	666,889
Human services	4,580,066	-	4,580,066
Intergovernmental:			
Education	3,460,267	-	3,460,267
Special appropriations	717,595	-	717,595
Debt service:			
Principal	1,993,660	-	1,993,660
Interest and fees	1,162,771	-	1,162,771
Total expenditures	25,390,579	421,973	25,812,552
Excess (deficiency) of revenues over expenditures	(719,551)	57,657	(661,894)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	658,274	-	658,274
Transfers to other funds	-	(658,274)	(658,274)
Total other financing sources and uses	658,274	(658,274)	-
Net change in fund balance	(61,277)	(600,617)	(661,894)
Fund balances-beginning	7,288,416	731,028	8,019,444
Fund balances-ending	\$ 7,227,139	\$ 130,411	\$ 7,357,550

*The accompanying footnotes are an integral part of these financial statements.*

**Bertie County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance – Governmental Fund**  
**For the Fiscal Year Ended June 30, 2018**  
**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ (661,894)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year.	(328,523)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(6,332)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	(606,125)
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement on Net Position.	26,019
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.	92,691
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(771,696)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	3,906
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 any 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.	1,646,658
County's portion of collective pension expense.	(468,815)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	19,428
<b>Total changes in net position of governmental activities</b>	<b>\$ (1,054,683)</b>

*The accompanying footnotes are an integral part of these financial statements.*

**Bertie County, North Carolina**  
**General Fund Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Exhibit 6**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 11,131,239	\$ 11,157,839	\$ 11,213,686	\$ 55,847
Other taxes and licenses	414,100	490,100	671,914	181,814
Intergovernmental revenues	6,062,573	6,376,282	6,268,594	(107,688)
Licenses and permits	214,890	214,890	222,793	7,903
Sales and services	3,912,532	3,912,532	3,993,578	81,046
Investment earnings	20,000	20,000	35,931	15,931
Miscellaneous	1,265,497	1,500,203	1,532,032	31,829
<b>Total revenues</b>	<b>23,020,831</b>	<b>23,671,846</b>	<b>23,938,528</b>	<b>266,682</b>
<b>EXPENDITURES</b>				
Current:				
General government	4,369,357	5,036,349	4,101,578	934,771
Public safety	8,926,686	9,005,891	8,427,367	578,524
Environmental protection	474,308	479,678	479,678	-
Economic and physical development	523,216	518,815	419,480	99,335
Human services	5,402,301	5,547,172	4,580,066	967,106
Intergovernmental:				
Education	3,555,521	3,555,521	3,460,267	95,254
Special appropriations	576,958	766,369	717,595	48,774
Debt service:				
Principal	1,993,662	1,993,662	1,993,660	2
Interest and fees	1,162,773	1,162,773	1,162,771	2
<b>Total expenditures</b>	<b>26,984,782</b>	<b>28,066,230</b>	<b>25,342,462</b>	<b>2,723,768</b>
Revenues over (under) expenditures	(3,963,951)	(4,394,384)	(1,403,934)	2,990,450
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	2,511,647	2,511,647	1,149,678	(1,361,969)
Transfers to other funds	(140,000)	(140,000)	(65,000)	75,000
<b>Total other financing sources and uses</b>	<b>2,371,647</b>	<b>2,371,647</b>	<b>1,084,678</b>	<b>(1,286,969)</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(1,592,304)	(2,022,737)	(319,256)	1,703,481
Appropriated fund balance	1,592,304	2,022,737	-	(2,022,737)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(319,256)</b>	<b>\$ (319,256)</b>
Fund balances-beginning			6,727,916	
Fund balances-ending			\$ 6,408,660	
The legally budgeted Tax Revaluation Fund and Capital Reserve Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 732,500	
Transfers in - General Fund			65,000	
Transfers in - Bertie High School			658,274	
Transfers out - General Fund			(1,149,678)	
Expenditures			(48,117)	
Fund balance, beginning			560,500	
Fund balance, ending (Exhibit 4)			\$ 7,227,139	

*The accompanying footnotes are an integral part of these financial statements.*

**Bertie County, North Carolina**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2018**  
**Exhibit 7**

	Business-type Activities - Proprietary Funds - Major		Governmental Activities -	
	Regional		Internal Service	
	Water District		Funds	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$	1,430,453	\$	-
Receivables, net		229,562		3,314
Grants receivable		192,241		-
Due (to) from other funds		-		(17,309)
<b>Total current assets</b>		<b>1,852,256</b>		<b>(13,995)</b>
Noncurrent assets:				
Restricted assets:				
Restricted cash and cash equivalents		236,653		-
Capital assets:				
Land and improvements		129,994		-
Construction in progress		2,675,608		-
Buildings, improvements, and equipment		40,235,643		305,185
Less accumulated depreciation		(11,426,123)		(204,201)
<b>Total capital assets</b>		<b>31,615,122</b>		<b>100,984</b>
<b>Total noncurrent assets</b>		<b>31,851,775</b>		<b>100,984</b>
<b>Total assets</b>		<b>33,704,031</b>		<b>86,989</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		<b>88,598</b>		<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities		211,516		596
Compensated absences		27,932		-
Installment purchase		147,700		-
Limited obligation bonds		405,000		-
Revenue bond		24,313		-
Original issue discount/premium		23,737		-
<b>Total current liabilities</b>		<b>840,198</b>		<b>596</b>
Noncurrent liabilities:				
Liabilities payable from restricted assets:				
Accounts payable		162,967		-
Retainage payable		72,969		-
Customer deposits		229,500		-
Installment purchase		2,414,578		-
Limited obligation bonds		9,530,000		-
Revenue bond		1,664,866		-
Original issue discount/premium		411,603		-
Net pension liability		104,682		-
Net OPEB liability		838,998		-
<b>Total noncurrent liabilities</b>		<b>15,430,163</b>		<b>-</b>
<b>Total liabilities</b>		<b>16,270,361</b>		<b>596</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		<b>49,582</b>		<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets		17,428,665		100,984
Unrestricted		44,021		(14,591)
<b>Total net position</b>	<b>\$</b>	<b>17,472,686</b>	<b>\$</b>	<b>86,393</b>

*The accompanying footnotes are an integral part of these financial statements.*

**Bertie County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position –**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2018**  
**Exhibit 8**

	Business-type Activities - Proprietary Funds - Major Regional Water District	Governmental Activities - Internal Service Funds
Operating revenue		
User charges	\$ 2,635,088	\$ 63,330
Total operating revenue	2,635,088	63,330
Operating expenses		
Administrative expenses	1,888,759	43,902
Depreciation expense	781,918	12,234
Total operating expenses	2,670,677	56,136
Operating income (loss)	(35,589)	7,194
Nonoperating revenues (expenses)		
Investment earnings	11,176	-
Miscellaneous income	13,761	-
Tax refunds	68,266	-
Interest, fees and amortization	(388,462)	-
Total nonoperating revenues (expenses)	(295,259)	-
Income (loss) before contributions and operating transfers	(330,848)	7,194
Capital contributions	1,202,418	-
Total transfers and capital contributions	1,202,418	-
Change in net position	871,570	7,194
Net position, beginning	17,157,723	79,199
Restatement	(556,607)	-
Net position, beginning, restated	16,601,116	79,199
Net position, ending	\$ 17,472,686	\$ 86,393

*The accompanying footnotes are an integral part of these financial statements.*



**Bertie County, North Carolina**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2018**  
**Exhibit 9**

	Business-type Activities - Proprietary Funds-Major Regional Water District	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 2,632,484	\$ 63,548
Cash paid for goods and services	(1,101,753)	(43,636)
Cash paid to employees for services	(604,983)	-
Customer deposits (net)	19,410	-
Other operating revenues	99,269	-
Net cash provided (used) by operating activities	1,044,427	19,912
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Nonoperating income	13,761	-
Tax refunds	68,266	-
Due to (from) other funds	-	(19,912)
Net cash provided (used) from noncapital financing activities	82,027	(19,912)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(3,773,537)	-
Interest paid on construction debt	(412,199)	-
Principal paid on bond maturities and equipment contracts	(421,650)	-
Capital contributions - Federal and State grants	1,202,418	-
Principal paid on short-term borrowing	(1,526,038)	-
Proceeds from long-term borrowing	4,113,362	-
Net cash provided (used) for capital and related financing activities	(817,644)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investment	11,176	-
Net cash provided (used) for investing activities	11,176	-
Net increase (decrease) in cash and cash equivalents	319,986	-
Cash and cash equivalents, beginning	1,347,120	-
Cash and cash equivalents, ending	\$ 1,667,106	\$ -
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating revenues</b>		
Operating income (loss)	\$ (35,589)	\$ 7,194
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	781,918	12,234
Change in assets, liabilities, and deferred outflows and inflows of resources:		
(Increase) decrease in accounts receivable	96,665	218
(Increase) decrease in deferred outflows of resources for pensions	40,016	-
(Increase) decrease in deferred outflows of resources - OPEB	(5,531)	-
Increase (decrease) in net pension liability	(28,952)	-
Increase (decrease) in net OPEB liability	3,455	-
Increase (decrease) in deferred inflows of resources for pensions	(1,720)	-
Increase (decrease) in deferred inflows of resources - OPEB	46,619	-
Increase (decrease) in accounts payable and accrued liabilities	126,886	266
Increase (decrease) in customer deposits	19,410	-
Increase (decrease) in accrued vacation	1,250	-
Total adjustments	1,080,016	12,718
Net cash provided (used) by operating activities	\$ 1,044,427	\$ 19,912

*The accompanying footnotes are an integral part of these financial statements.*

**Bertie County, North Carolina**  
**Statement of Fiduciary Net Position – Fiduciary Funds**  
**June 30, 2018**  
**Exhibit 10**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,077
<hr/>	
<b>LIABILITIES</b>	
Miscellaneous liabilities	11,077
<hr/>	
<b>NET POSITION</b>	
Assets held in trust	\$ -
<hr/>	

*The accompanying footnotes are an integral part of these financial statements.*

**I. Summary of Significant Accounting Policies**

The accounting policies of Bertie County and its component unit 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. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The discretely presented component unit below is reported in a separate column in the County's combined financial statements in order to emphasize that it is legally separate from the County.

Blended Component Unit

Bertie County Water Districts

Under State law [G.S. 162A-89], the County's board of commissioners also serve as the governing board for the Regional Water District. Therefore, the Regional Water District is reported as an enterprise fund in the County's financial statements. The Regional Water District does not issue separate financial statements.

Discretely Presented Component Units

Bertie County Industrial Facility and Pollution Control Financing Authority

Bertie 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 seven-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Bertie County ABC Board

The members of the ABC Board's governing body are appointed by the County. The ABC Board is required by state statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

## Bertie County, North Carolina Notes to Financial Statements

Complete financial statements of the component unit may be obtained at the administrative office of the entity.

Bertie County ABC Board  
P. O. Box 97  
Windsor, North Carolina 27983

### **B. Basis of Presentation, Basis of Accounting**

#### **Basis of Presentation, Measurement Focus – Basis of Accounting**

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

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

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

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

The County reports the following major governmental fund:

## Bertie County, North Carolina Notes to Financial Statements

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

The County reports the following major enterprise funds:

*Bertie County Regional Water Districts Fund* - This fund accounts for the County's water operations of all four of the County's water districts.

The County also reports the following fund types:

*Internal Service Fund.* The Internal Service Fund, which is a proprietary fund, is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. Bertie County has one internal service fund. The Bertie Telephone is an internal service fund, which operates for County use only. The Bertie County Telephone Fund is consolidated with the Governmental Funds in the government-wide statements.

*Agency Funds.* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency Funds are used to account for assets the County holds on behalf of others. The County maintains four Agency Funds: the Social Services Fund, which accounts for monies held by the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Bertie County Board of Education; the Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County; and the Pest Management Fund, which accounts for the moneys received from local farmers for Agriculture Extension services.

*Nonmajor Funds.* The County maintains five legally budgeted funds. The Emergency Telephone System Fund is reported as a nonmajor special revenue fund. The Library/Cooperative Extension Building Fund, the EMS Building Fund, the Disaster Recovery Fund, and the Bertie High School Construction Fund are reported as nonmajor capital project funds.

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 fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual

## Bertie County, North Carolina Notes to Financial Statements

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

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in 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. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013 or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

## Bertie County, North Carolina Notes to Financial Statements

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

### **C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Special Revenue Funds, (excluding the Community Development Block Grant Funds), the Enterprise Funds, the Internal Service Funds and the Capital Project Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Grant Funds which is a Special Revenue fund type, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise 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 \$5,000. 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.

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

#### **1. Deposits and Investments**

All deposits of the County and Bertie County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board 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 and the ABC Board 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 and the ABC Board's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Cash Portfolio, a

## Bertie County, North Carolina Notes to Financial Statements

SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

### 2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

### 3. Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the Capital Reserve Schools Fund is classified as restricted assets because its use is restricted per North Carolina General Statutes 159-18 through 22. Cash and cash equivalents in the Other Postemployment Benefits Trust Fund is considered restricted because it can only be used to pay other postemployment benefit obligations. The County is required by the USDA to set aside ten percent (10%) of the current year's note payment as restricted cash in a separate account for ten years or until one payment has accrued or the note is paid out.

Governmental Activities		
General Fund	Tax Revaluation	\$ 190,199
	Capital Reserves Schools	644,319
	OPEB Trust Fund	484,800
	USDA Reserves Account	9,337
Total Governmental Activities		\$ 1,328,655
Business-type Activities		
Water District Regional	Customer deposits	229,500
	USDA Reserves Account	7,153
Total Business-type Activities		\$ 236,653
Total Restricted Cash		\$ 1,565,308

### 4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the



due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. 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.

**6. Inventories and Prepaid Items**

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory for the ABC Board is recorded as an expense as it is consumed or sold.

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

**7. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 Bertie County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Bertie County Board of Education.

The County holds title to the Bertie High School property. The property has been deeded to the County to permit limited obligation bond financing for construction. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, but provides that the County will retain title to the property.

**Bertie County, North Carolina**  
**Notes to Financial Statements**

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

	Years
Buildings	50
Improvements	10-20
Furniture and equipment	10
Vehicles	3-5
Computer equipment	5

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	Years
Buildings	20
Furniture and equipment	10
Vehicles	3-5
Leasehold improvements	10-20
Computers	3

**8. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criterion – pension related deferrals and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, 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 two items that meet the criterion for this category – prepaid taxes and other pension related deferrals.

**9. Long-term Obligations**

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

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

**10. Compensated Absences**

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

The sick leave policies of the County and the ABC Board 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 neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**11. 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 a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at June 30, 2018.

**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 of State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

    Restricted for drug task force – portion of fund balance that is restricted by revenue source for drug investigations.

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

## Bertie County, North Carolina Notes to Financial Statements

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

Committed for Education – portion of fund balance that can only be used for capital reserves schools.

Committed for OPEB Trust – portion of fund balance that can only be used for Other Postemployment Benefit Trust when the Trust is established.

Assigned Fund Balance – Portion of fund balance that the Bertie County governing board has budgeted.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

Bertie County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the County.

Bertie County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures. Any portion of the General Fund balance in excess of 10% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

### **12. Defined Benefit Pension Plans**

The County participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State; the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension asset, 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 plan and additions to/deductions from the state-administered defined benefit pension plan's 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



## **Bertie County, North Carolina Notes to Financial Statements**

payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

**Bertie County, North Carolina  
Notes to Financial Statements**

**E. Reconciliation of Government-wide and Fund Financial Statements**

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes a reconciliation between fund total fund balance for the governmental funds and net position for the governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(9,460,101) consists of the following:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 40,183,253
Less accumulated depreciation	(9,781,231)
Net capital assets	30,402,022
Net pension asset	20,974
Contributions to the pension plan in the current fiscal year	1,507,457
Total pension liabilities	(462,633)
Benefit payments and pension administration costs for LEOSSA	33,257
Contributions to OPEB plan in the current fiscal year	92,691
Pension related deferrals	(125,930)
OPEB related deferrals	(781,235)
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	3,779,132
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the funds statements:	
Bonds, leases, and installment financing	(27,660,467)
Compensated absences	(400,960)
Net OPEB liability	(14,059,667)
Net pension liability	(1,891,135)
	(44,012,229)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	86,393
<b>Total adjustment</b>	<b>\$ (9,460,101)</b>

**Bertie County, North Carolina**  
**Notes to Financial Statements**

**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$(392,789) is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the funds statements but capitalized as assets in the statement of activities.	\$ 994,782
Cost of disposed capital assets not recorded in the fund statements.	(6,332)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,323,305)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position.	(347,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	1,993,658
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	(606,125)
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	26,019
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	92,691
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Change in deferred revenue	(771,696)
Expenses reported in the statement of activities that do not require the use of current resources to pay are not reported as expenditures in fund statements.	
Compensated absences	3,906
County's portion of collective pension expense	(468,815)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	19,428
Total adjustment	\$ (392,789)

**F. Subsequent Events – Date of Management Evaluation**

Management has evaluated subsequent events through May 20, 2019, the date on which the financial statements were available to be issued.

**II. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County's and the ABC Board'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 or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2018, the County's deposits had a carrying amount of \$4,530,894. The bank balances with financial institutions and with the State Treasurer were \$4,807,271 and \$2,923, respectively. Of these bank balances, \$500,000 was covered by federal depository insurance, \$2,923 was covered by collateral held by authorized escrow agents in the name of the State Treasurer, and \$4,307,271 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2018, Bertie County had \$1,225 cash on hand.

At June 30, 2018, the carrying amount of deposits for Bertie County ABC Board was \$64,517 and the bank balance was \$56,459. All of the bank balance was covered by federal depository insurance. Petty cash funds totaled \$1,675 at year end.



## Bertie County, North Carolina Notes to Financial Statements

### 2. Investments

At June 30, 2018, the County's investments consisted of \$2,833,384 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2018, the ABC Board had no investments.

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

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

Year Levied	Tax	Interest	Total
2015	\$ 1,449,040	\$ 474,165	\$ 1,923,205
2016	1,436,068	340,669	1,776,737
2017	1,425,864	209,917	1,635,781
2018	1,465,948	83,957	1,549,905
<b>Total</b>	<b>\$ 5,776,920</b>	<b>\$ 1,108,708</b>	<b>\$ 6,885,628</b>

### 4. Receivables

Receivables at the government-wide level at June 30, 2018, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
<b>Governmental activities:</b>					
General	\$ 1,450,610	\$ 799,286	\$ 794,517	\$ 3,097,303	\$ 6,141,716
Other Governmental	45,034	-	-	-	45,034
Internal Service Fund	3,314	-	-	-	3,314
<b>Total receivables</b>	<b>1,498,958</b>	<b>799,286</b>	<b>794,517</b>	<b>3,097,303</b>	<b>6,190,064</b>
Allowance for doubtful accounts	-	(117,457)	-	-	(117,457)
<b>Total governmental activities</b>	<b>\$ 1,498,958</b>	<b>\$ 681,829</b>	<b>\$ 794,517</b>	<b>\$ 3,097,303</b>	<b>\$ 6,072,607</b>
<b>Business-type activities:</b>					
Regional Water District	\$ 237,880	\$ -	\$ 192,241	\$ -	\$ 430,121
<b>Total receivables</b>	<b>237,880</b>	<b>-</b>	<b>192,241</b>	<b>-</b>	<b>430,121</b>
Allowance for doubtful accounts	(8,318)	-	-	-	(8,318)
<b>Total business-type activities</b>	<b>\$ 229,562</b>	<b>\$ -</b>	<b>\$ 192,241</b>	<b>\$ -</b>	<b>\$ 421,803</b>

**Bertie County, North Carolina  
Notes to Financial Statements**

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

Local option sales tax	\$	678,491
Sales tax receivable		116,026
		116,026
	\$	794,517

**5. Capital Assets**

**Primary Government**

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,693,469	\$ -	\$ -	\$ 1,693,469
Construction in progress	521,232	459,754	521,232	459,754
Total capital assets not being depreciated	2,214,701	459,754	521,232	2,153,223
<b>Capital assets being depreciated:</b>				
Buildings	30,236,738	-	-	30,236,738
Improvements	1,185,740	92,009	-	1,277,749
Equipment	3,410,083	570,705	33,237	3,947,551
Vehicles and motor equipment	2,479,631	393,546	-	2,873,177
Total capital assets being depreciated	37,312,192	1,056,260	33,237	38,335,215
<b>Less accumulated depreciation for:</b>				
Buildings	4,987,986	599,608	-	5,587,594
Improvements	486,007	61,981	-	547,988
Equipment	1,824,739	333,491	26,905	2,131,325
Vehicles and motor equipment	1,390,300	328,225	-	1,718,525
Total accumulated depreciation	8,689,032	1,323,305	26,905	9,985,432
Total capital assets being depreciated, net	28,623,160			28,349,783
<b>Governmental activity capital assets, net</b>	<b>\$ 30,837,861</b>			<b>\$ 30,503,006</b>

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

General government	\$	580,701
Public safety		490,475
Human services		95,992
Parks and Recreation		156,137
Total depreciation expense	\$	1,323,305

## Bertie County, North Carolina Notes to Financial Statements

<b>Business-type Activities:</b>	Beginning			Ending
<b>Water Districts</b>	Balances	Increases	Decreases	Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 129,994	\$ -	\$ -	\$ 129,994
Construction in progress	2,292,435	3,644,487	3,261,314	2,675,608
Total capital assets not being depreciated	2,422,429	3,644,487	3,261,314	2,805,602
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	36,699,598	3,363,220	-	40,062,818
Vehicles	172,825	-	-	172,825
Total capital assets being depreciated	36,872,423	3,363,220	-	40,235,643
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	10,510,455	761,003	-	11,271,458
Vehicles	133,750	20,915	-	154,665
Total accumulated depreciation	10,644,205	781,918	-	11,426,123
Total capital assets being depreciated, net	26,228,218			28,809,520
<b>Water Districts capital assets, net</b>	<b>\$ 28,650,647</b>			<b>\$ 31,615,122</b>

### Construction commitments

The government has active construction projects as of June 30, 2018. The projects include the Library/Cooperative Extension Building, the EMS Building, and the water district projects. At June 30, 2018, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Library/Cooperative Extension Building Fund	\$ 78,689	\$ 541,311
EMS Building Fund	137,980	446,319
Drinking Water State Revolving Loan Fund - SCADA	1,207,627	101,449
Drinking Water State Revolving Loan Fund - Roxobel Merger	1,467,981	508,379
Total	\$ 2,892,277	\$ 1,597,458

## Bertie County, North Carolina Notes to Financial Statements

### Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2018, was as follows:

ABC Board:	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,789	\$ -	\$ -	\$ 3,789
Total capital assets not being depreciated	3,789	-	-	3,789
<b>Capital assets being depreciated:</b>				
Land improvements	19,211	-	-	19,211
Leasehold improvements	25,582	-	-	25,582
Furniture and equipment	115,784	9,427	-	125,211
Vehicles	1,470	-	1,470	-
Total capital assets being depreciated	162,047	9,427	1,470	170,004
<b>Less accumulated depreciation for:</b>				
Land improvements	19,211	-	-	19,211
Furniture and equipment	6,420	2,558	-	8,978
Leasehold improvements	108,322	4,384	-	112,706
Vehicles	1,470	-	1,470	-
Total accumulated depreciation	135,423	6,942	1,470	140,895
<b>ABC capital assets, net</b>	<b>\$ 30,413</b>			<b>\$ 32,898</b>

### 6. Cost-sharing commitments

Bertie County and the Town of Windsor and Bertie County Water District II entered into an agreement on June 10, 2002 to purchase land jointly. The land was purchased in August 2003 and the North Carolina Department of Corrections completed constructing a 1,000 bed detention center on the land in July 2006. The Bertie County Water District II is the exclusive provider of water services to the detention center and the Town provides electric and sewer utility services. Once the prison was completed, the County and Town began deducting monthly 10% of the gross revenue for each utility and equally dividing between the County and the Town. These payments will continue until the purchase price and costs of establishing each utility service is paid in full. For the fiscal year ending June 30, 2018, Bertie County paid the Town of Windsor \$19,697 from the water fund. For the fiscal year ending June 30, 2018, the Town paid Bertie County \$21,898 and \$4,008 from the electric fund and water and sewer fund, respectively for the required payments.

After the net purchase price and the net costs as defined have been paid in full, the obligation of the County and the Town to monthly deduct 10% of gross revenue for each utility shall cease. The County and the Town will then monthly deduct 1% of the gross revenue for each utility, which monies will be applied towards an economic development fund to be administered by a joint County and Town board for the benefit of the citizens of the County and Town.

**Bertie County, North Carolina  
Notes to Financial Statements**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2018, were as follows:

	Vendors	Total
Governmental Activities:		
General	\$ 604,468	\$ 604,468
Other Governmental	5,173	5,173
Internal Service Fund	596	596
Total governmental funds	\$ 610,237	\$ 610,237
Business-type Activities:		
Regional Water Districts	\$ 211,516	\$ 211,516
Total business-type activities	\$ 211,516	\$ 211,516

**2. Pension Plan and Other Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

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

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of

## Bertie County, North Carolina Notes to Financial Statements

service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.50% for general employees, firefighters, and the register of deeds, 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 \$547,481 for the year ended June 30, 2018.

*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, 2018, the County reported a liability of \$1,995,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the

## Bertie County, North Carolina Notes to Financial Statements

County's proportion was .13064%, which was an increase of .01660% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$740,170. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,978	\$ 56,495
Changes in assumptions	285,030	-
Net difference between projected and actual earnings on pension plan investments	484,586	-
Changes in proportion and differences between County contributions and proportionate share of contributions	151,641	-
County contributions subsequent to the measurement date	547,481	-
Total	\$ 1,583,716	\$ 56,495

\$547,481 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 liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 171,526
2020	634,407
2021	310,434
2022	(136,627)
2023	-
Thereafter	-
	\$ 979,740

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

## Bertie County, North Carolina Notes to Financial Statements

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, 2016 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.00%	1.40%
Global Equity	42.00%	5.30%
Real Estate	8.00%	4.30%
Alternatives	8.00%	8.90%
Credit	7.00%	6.00%
Inflation Protection	6.00%	4.00%
<b>Total</b>	<b>100.00%</b>	

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



## Bertie County, North Carolina Notes to Financial Statements

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. 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 asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset or liability calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net position liability (asset)	\$ 5,991,489	\$ 1,995,817	\$ (1,339,307)

*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.

### **b. Law Enforcement Officers' Special Separation Allowance**

#### ***1. Plan Description.***

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

All full-time County law enforcement officers are covered by the Separation Allowance.

**Bertie County, North Carolina  
Notes to Financial Statements**

At December 31, 2016, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Active plan members	25
Total	26

**2. Summary of Significant Accounting Policies:**

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

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

**3. Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2016 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 increases	3.50 to 7.35 percent
Discount rate	3.16 percent

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20 year Municipal Bond Index as of December 31, 2017.

Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements.

**3. Contributions.**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$14,476 as benefits came due for the reporting period.

**Bertie County, North Carolina**  
**Notes to Financial Statements**

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

At June 30, 2018, the County reported a total pension liability of \$462,633. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$31,431.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 64,331
Changes of assumptions	26,019	7,412
County benefit payments and plan administrative expense made subsequent to the measurement date	7,238	-
<b>Total</b>	<b>\$ 33,257</b>	<b>\$ 71,743</b>

\$7,238 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 ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ (8,481)
2020	(8,481)
2021	(8,481)
2022	(8,481)
2023	(7,938)
Thereafter	(3,862)
<b>Total</b>	<b>\$(45,724)</b>

\$7,238 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*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 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

**Bertie County, North Carolina  
Notes to Financial Statements**

	1 % Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 504,144	\$ 462,633	\$ 425,267

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

Beginning balance	475,161
Service cost	29,088
Interest on the total pension liability	18,062
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(75,901)
Changes of assumptions or other inputs	30,699
Benefit payments	(14,476)
Other changes	-
Ending balance of the total pension liability	462,633

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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers and General Employees**

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

## Bertie County, North Carolina Notes to Financial Statements

Contributions for the year ended June 30, 2018 were \$68,451 which consisted of \$59,879 from the County and \$8,572 from the law enforcement officers.

The County also elected to contribute an amount equal to three percent of each general employee's salary. All amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$248,583 which consisted of \$184,649 from the County and \$63,934 from the general employees.

### **d. Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* Carolina County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the 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. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,002 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$20,974 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December

**Bertie County, North Carolina**  
**Notes to Financial Statements**

31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.12288%, which was an increase of 0.00375% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$4,899. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 360	\$ 68
Net difference between projected and actual earnings on pension plan investments	1,783	-
Changes in proportion and differences between County contributions and proportionate share of contributions	124	587
Change in assumptions	3,539	
County contributions subsequent to the measurement date	1,002	-
Total	\$ 6,808	\$ 655

\$1,002 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 3,057
2020	1,436
2021	204
2022	454
2023	-
Thereafter	-
	\$ 5,151

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

## Bertie County, North Carolina Notes to Financial Statements

Inflation	3.0 percent
Salary increases	3.5 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, 2016 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, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 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 percent, as well as what the County's proportionate share of the net

**Bertie County, North Carolina  
Notes to Financial Statements**

pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net position liability (asset)	\$ 16,486	\$ 20,974	\$ 24,749

*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.

**e. Other Postemployment Benefit**

**Healthcare Benefits**

*Plan Description.* Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The County's Board of Commissioners has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* The plan provides postemployment healthcare benefits to retirees of the County, provided they participated in the North Carolina Local Governmental Employees' Retirement System (System). The County provides these benefits according to the following guidelines: a) The County will pay 50% of the cost of the premiums for an employee who is at least 55 years of age retiring with 15 years of continuous service with Bertie County; b) The County will pay 100% of the cost of the premiums for an employee retiring with 20 years of continuous service with Bertie County; c) The County will pay 100% of the cost of the premiums for an employee retiring with 25 years of non-continuous service with Bertie County; Coverage will continue until the employee becomes eligible for Medicare, at which time the County will convert coverage to a Medicare Supplement policy. The cost for the employee's share of the premiums, if any, will be determined on an annual basis. Service time credit with the County will be calculated based on actual service time and any sick leave time that is on balance with the County at the time of retirement. The health insurance provision of this article shall apply to County Commissioners. The County pays the full cost of coverage for these benefits through private insurers. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Employees hired after July 1, 2016, are not eligible for retiree health insurance benefits upon retirement.

Membership of the HCB Plan consisted of the following at December 31, 2017, the date of the latest actuarial valuation:



**Bertie County, North Carolina  
Notes to Financial Statements**

Retirees and dependents receiving benefits	42
Active plan members	150
Total	192

***Total OPEB Liability***

The County's total OPEB liability of \$14,898,665 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%
Real wage growth	1.00%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% to 7.75%
Municipal bond index rate	3.89%
Health care cost trends	
Pre-medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2020
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

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

***Changes in the Total OPEB Liability***

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2017</b>	\$ 14,837,317
<b>Changes for the year:</b>	
Service cost	787,570
Interest	520,792
Changes of benefit terms	-
Differences between expected and actual experience	111,283
Changes of assumptions	(937,941)
Benefit payments	(420,356)
<b>Net changes</b>	61,348
<b>Balance at June 30, 2018</b>	14,898,665

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

## Bertie County, North Carolina Notes to Financial Statements

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period of January 2010 through December 2014.

*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 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	Discount		
	1% Decrease	Rate (3.8%)	1% Increase
Total OPEB liability	\$ 18,014,839	\$ 14,898,665	\$ 12,497,474

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 12,127,369	\$ 14,898,665	\$ 18,623,511

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$755,423. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 98,222	\$ -
Changes of assumptions	-	827,854
Benefit payments and administrative costs made subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 98,222</b>	<b>\$ 827,854</b>

\$0 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 ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Bertie County, North Carolina**  
**Notes to Financial Statements**

<b>Year ended June 30:</b>	
2018	\$ (97,026)
2019	(97,026)
2020	(97,026)
2021	(97,026)
2022	(97,026)
Thereafter	<u>(244,502)</u>
	\$ (729,632)

**f. Other Employment Benefits**

The County has elected to provide death benefits to law enforcement officers 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. All death benefit payments are made from the Death Benefit Plan. 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. The County considers these contributions to be immaterial.

## Bertie County, North Carolina Notes to Financial Statements

### 3. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources at year-end is comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 114,978	\$ 56,495
Register of Deeds	360	68
LEOSSA	-	64,331
Pensions - difference between projected and actual investment earnings		
LGERS	484,586	-
Register of Deeds	1,783	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	151,641	-
Register of Deeds	124	587
OPEB - difference between expected and actual experience	98,222	-
Changes in assumptions		
LGERS	285,030	-
OPEB	-	827,854
Register of Deeds	3,539	-
LEOSSA	26,019	7,412
Contributions to pension plan in 2016-2017 fiscal year		
LGERS	547,481	-
Register of Deeds	1,002	-
Benefit payments/administration costs paid subsequent to the measurement date - LEOSSA	7,238	-
Prepaid taxes not yet earned (General)	-	38,675
Taxes receivables, net (General)	-	681,829
Special assessments receivable, net (General)	-	3,097,303
	\$ 1,722,003	\$ 4,774,554

### 4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000

## Bertie County, North Carolina Notes to Financial Statements

for workers' compensation. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

Blue Cross/Blue Shield of North Carolina provides the County's health insurance and the dental insurance is provided by Guardian.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to but has not purchased commercial flood insurance for another \$3,500,000 of coverage per structure.

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 Director of Finance, the Tax Collector, and the Register of Deeds are each individually bonded for \$50,000 each. The Sheriff is individually bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Bertie County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

### **5. Long-Term Obligations**

#### **a. Operating Leases**

The County has entered into an agreement to lease certain vehicles. The lease agreement qualifies as an operating lease for accounting purposes. The following is a schedule of the minimum rental payments under the lease agreement as of June 30, 2018.

	Year Ending June 30	Amount
2019		\$ 150,133
2020		150,133
2021		150,133
2022		73,231
Total		\$ 523,630

**b. Installment Purchase**

*Serviced by the General Fund:*

In February 2000, the County entered into an installment purchase contract for \$9,950,000 to finance construction on a new hospital. Principal and interest payments of \$68,888 are payable monthly. Interest is payable at a 5.5% rate. The County leases the new facilities to Vidant Medical Center. The amount of the lease payments shall be equal to the future debt service and all associated costs on the debt incurred by the County for the purpose of constructing the new facility. The final payment is due January 2022.

In February 2004, the County entered into an installment purchase contract for \$1,000,000 to finance construction on a new Health Department Building. The financing contract requires 180 fixed principal payments of \$5,556 and varying interest payments at a rate of 3.57% beginning in March 2004, and ending February 2019.

As authorized by State law [G.S.160A-20 and 153A-158.1], the County financed various property acquisitions for use by Bertie County Board of Education during the fiscal year ended June 30, 2004 by installment purchase. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Bertie County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The installment purchase was executed on July 1, 2003 for various property improvements for use by Bertie County Board of Education. The transaction requires fifteen principal payments by the County of \$212,181 ending December 2023. There is no interest due. The payments are deposited into an interest drawing account. The remainder of the payments, totaling \$787,572, will be made from the interest account.

The installment purchase was executed on October 12, 2007 for various property improvements for use by Bertie County Board of Education. The transaction requires fifteen principal payments by the County of \$109,460 ending October 2024. There is no interest due. The payments are deposited into an interest drawing account. The remainder of the payments, totaling \$358,100, will be made from the interest account.

In November 2005, the County entered into an installment purchase contract for \$6,000,000 to finance the construction on a new Middle School. The financing contract requires 30 semi-annual fixed principal payments of \$200,000 and varying interest payments at a rate of 3.8% beginning May 31, 2006 and ending November 2020.

In October 2006, the County entered into an installment purchase contract for \$3,300,000 to finance the construction of the new Department of Social Services Building. The financing contract

## Bertie County, North Carolina Notes to Financial Statements

requires 15 annual fixed principal payments of \$220,000 with an interest rate of 3.93% beginning October 2007. In October 2012, the County modified their agreement with the lender for a lower interest rate of 2.93%. The payment schedule continues without interruption and will be paid out October 2021.

In April 2017, the County entered into an installment purchase contract for \$788,000 to finance the purchase of emergency equipment. The financing contract requires 15 annual payments, including interest, of \$64,821 with an interest rate of 2.75% beginning April 2018 and ending April 2032.

In October 2017, the County entered into an installment purchase contract for \$347,000 to finance the purchase of emergency equipment. The financing contract requires 15 annual payments, including interest, of \$28,545 with an interest rate of 2.75% beginning October 2018 and ending October 2033.

### *Serviced by the Water Districts*

In January 2014, the County entered into revolving loan for \$277,046 to finance a water supply system project for Water District II. The financing contract requires 18 annual principal payments of \$11,650 ending May 2032. The interest rate is 0.00%.

In January 2018, the County entered into revolving loan for \$1,283,408 to finance a water supply system project for Water District II. The financing contract requires 20 annual principal payments of \$64,170 ending May 2038. The interest rate is 0.00%. As of June 30, 2018, the County has received \$1,132,878.

In May 2018, the County entered into revolving loan for \$1,437,608 to finance a water supply system project for Water District IV. The financing contract requires 18 annual principal payments of \$71,880 ending November 2037. The interest rate is 0.00%. As of June 30, 2018, the County has received \$1,266,305.

## Bertie County, North Carolina Notes to Financial Statements

For Bertie County, the future minimum payments of these installment purchases as of June 30, 2018, including \$630,739 of interest, are:

Year ending June 30	Governmental Activities					
	Hospital		Health Department		DSS County Building	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 694,801	\$ 131,850	\$ 44,445	\$ 597	\$ 220,000	\$ 21,032
2020	734,319	92,331	-	-	220,000	15,774
2021	776,562	50,008	-	-	220,000	10,516
2022	473,338	8,874	-	-	220,000	5,258
2023	-	-	-	-	-	-
2024-2028	-	-	-	-	-	-
2029-2033	-	-	-	-	-	-
2034-2038	-	-	-	-	-	-
<b>Principal and interest payment totals</b>	<b>\$ 2,679,020</b>	<b>\$ 283,063</b>	<b>\$ 44,445</b>	<b>\$ 597</b>	<b>\$ 880,000</b>	<b>\$ 52,580</b>

Year ending June 30	QZAB School	QZAB Bertie	Middle School		Medical Equipment	
	Project	High	Principal	Interest	Principal	Interest
	Principal	Principal	Principal	Interest	Principal	Interest
2019	\$ 212,181	\$ 109,460	\$ 400,000	\$ 30,420	\$ 44,336	\$ 20,485
2020	212,181	109,460	400,000	16,900	45,556	19,265
2021	212,181	109,460	200,000	3,380	46,809	18,012
2022	212,181	109,460	-	-	48,096	16,725
2023	151,030	467,560	-	-	49,419	15,402
2024-2028	-	-	-	-	268,242	55,863
2029-2033	-	-	-	-	242,391	16,892
2034-2038	-	-	-	-	-	-
<b>Principal and interest payment totals</b>	<b>\$ 999,754</b>	<b>\$ 905,400</b>	<b>\$ 1,000,000</b>	<b>\$ 50,700</b>	<b>\$ 744,849</b>	<b>\$ 162,644</b>

Year ending June 30	Medical Equipment		Business-type Activities		
	Principal	Interest	DENR	DWSFRF	DWSRF
			Principal	Principal	Principal
2019	\$ 19,003	\$ 9,543	\$ 11,650	\$ 64,170	\$ 71,880
2020	19,525	9,020	11,650	64,171	71,881
2021	20,062	8,483	11,650	64,170	71,880
2022	20,614	7,931	11,650	64,171	71,881
2023	21,181	7,364	11,650	64,170	71,880
2024-2028	114,967	27,758	58,250	320,853	359,403
2029-2033	131,648	11,056	46,595	320,852	359,402
2034-2038	-	-	-	170,321	188,098
<b>Principal and interest payment totals</b>	<b>\$ 347,000</b>	<b>\$ 81,155</b>	<b>\$ 163,095</b>	<b>\$ 1,132,878</b>	<b>\$ 1,266,305</b>

Year ending June 30	Totals	
	Principal	Interest
2019	\$ 1,891,926	\$ 213,927
2020	1,888,743	153,290
2021	1,732,774	90,399
2022	1,231,391	38,788
2023	836,890	22,766
2024-2028	1,121,715	83,621
2029-2033	1,100,888	27,948
2034-2038	358,419	-
<b>Principal and interest payment totals</b>	<b>\$ 10,162,746</b>	<b>\$ 630,739</b>



## Bertie County, North Carolina Notes to Financial Statements

### c. Limited Obligation Bonds

Pursuant to North Carolina General Statutes, the Bertie County Board of Commissioners enters into an installment contract and issues Limited Obligation Bonds for the purpose of designing, constructing and equipping a new high school for use by the Bertie County Board of Education. The 2012 Bonds are limited obligations of the County and payments thereon are limited to funds appropriated for that purpose by the Board of Commissioners of the County in its discretion. As security for the Bonds, the County executed a Deed of Trust, Security Agreement and Fixture Filing as of November 1, 2012 granting a lien of record on the site of the Project and the real estate improvements thereon.

The proceeds of the 2012 Bonds were used to construct the new Bertie High School which is a 147,000 square foot facility, including a 500 seat auditorium, a 1,000 seat gymnasium and a cafeteria designed to seat approximately 300 students. The facility was turned over to the Board of Education in May 2014.

The obligation to make payments with respect to the bonds is not a general obligation of the County, and the taxing power of the County is not pledged directly or indirectly to secure any monies due to the owners of the bonds. Principal and interest payments are appropriated when due.

The Water Districts (a blended component unit of the County) issue General Obligation debt, the proceeds of which are used to refund existing USDA District debt. The County then issues Limited Obligation Bonds in an amount sufficient enough to purchase all the Districts General Obligation debt. Both the District and the County assign their rights to a third party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the Limited Obligation Bonds.

The County's limited obligation bonds payable at June 30, 2018 are comprised of the following individual issues:

*Limited obligation bonds serviced by the General Fund:*

\$18,030,000 limited obligation Series 2012A QSCB issued November 2012 due in semi-annual interest payments with the principal due in 2036. Interest at 4.667%.	\$ 18,030,000
\$3,455,000 limited obligation Series 2012B issued November 2012 due in annual installments of \$285,000 to \$420,000 through 2022. Interest at varying rates of 1% - 4%.	2,030,000
	<hr/> <hr/>
	\$ 20,060,000

## Bertie County, North Carolina Notes to Financial Statements

*Limited obligation bonds serviced by the Regional Water District Fund:*

\$2,525,000 refunding Series 2013 issued May 2013 due in annual installments of \$85,000 to \$130,000 through 2036. Interest at varying rates of 2% - 4%.	\$ 2,090,000
\$3,540,000 refunding Series 2013 issued May 2013 due in annual installments of \$105,000 to \$180,000 through 2037. Interest at varying rates of 2% - 4%.	2,995,000
\$2,290,000 refunding Series 2013 issued May 2013 due in annual installments of \$75,000 to \$120,000 through 2035. Interest at varying rates of 2% - 4%.	1,870,000
\$3,415,000 refunding Series 2013 issued May 2013 due in annual installments of \$80,000 to \$160,000 through 2040. Interest at varying rates of 2% - 4%.	2,980,000
	\$ 9,935,000

Annual debt service requirements to maturity for the General Fund and the Water District Service Fund limited obligation bonds are as follows:

Year ending June 30	Governmental activities Totals		Business-type activities Totals	
	Principal	Interest	Principal	Interest
2019	\$ 300,000	\$ 892,685	\$ 405,000	\$ 395,556
2020	555,000	881,360	415,000	379,356
2021	755,000	861,710	435,000	362,756
2022	420,000	841,460	455,000	345,356
2023	-	841,460	465,000	327,157
2024-2028	-	4,207,300	2,615,000	1,338,214
2029-2033	-	4,207,300	2,820,000	784,290
2034-2038	-	2,945,110	2,025,000	254,189
2039-2040	18,030,000	-	300,000	18,000
Principal and interest payment totals	\$ 20,060,000	\$ 15,678,385	\$ 9,935,000	\$ 4,204,874

**Bertie County, North Carolina**  
**Notes to Financial Statements**

**d. Revenue Bonds**

\$1,717,000 Water Revenue Bond issued March 27, 2018 due in annual installments of \$71,530 through 2048. Interest at 2.75%. At June 30, 2018 only \$1,714,179 had been received by the County.      \$ 1,689,179

The future payments of the revenue bond are as follows:

Year ending June 30	Principal	Interest
2019	\$ 24,313	\$ 47,217
2020	24,854	46,676
2021	25,665	45,865
2022	26,370	45,160
2023	27,096	44,434
2024-2028	146,829	210,821
2029-2033	168,299	189,351
2034-2038	192,759	164,891
2039-2043	220,769	136,881
2044-2048	252,805	104,845
2049-2053	289,620	68,030
2054-2058	289,800	25,897
<b>Principal and interest payment totals</b>	<b>\$ 1,689,179</b>	<b>\$ 1,130,068</b>

At June 30, 2018, Bertie County had a legal debt margin of \$78,066,202.

## Bertie County, North Carolina Notes to Financial Statements

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion of Balance
<b>Governmental activities:</b>					
Installment purchase	\$ 8,962,126	\$ 347,000	\$ 1,708,658	\$ 7,600,468	\$ 1,744,226
Limited obligation debt	20,345,000	-	285,000	20,060,000	300,000
Compensated absences	404,866	-	3,906	400,960	100,240
Total pension liability (LEOSSA)	475,161	-	12,528	462,633	-
Net pension liability (LGRS)	2,286,677	-	395,542	1,891,135	-
Other postemployment benefits	4,773,004	-	4,773,004	-	-
Net OPEB Liability	14,001,774	57,893	-	14,059,667	-
<b>Total governmental activities</b>	<b>\$ 51,248,608</b>	<b>\$ 404,893</b>	<b>\$ 7,178,638</b>	<b>\$ 44,474,863</b>	<b>\$ 2,144,466</b>
<b>Business-type activities:</b>					
Installment purchase	\$ 174,744	\$ 2,399,183	\$ 11,649	\$ 2,562,278	\$ 147,700
Limited obligation debt	10,320,000	-	385,000	9,935,000	405,000
Bond Anticipation Note	1,526,038	-	1,526,038	-	-
Revenue Bond	-	1,714,179	25,000	1,689,179	24,313
Original issue discount	(41,919)	-	(2,166)	(39,753)	(2,166)
Original issue premium	500,996	-	25,903	475,093	25,903
Compensated absences	26,682	1,250	-	27,932	6,983
Net pension liability (LGRS)	133,634	-	28,952	104,682	-
Other postemployment benefits	278,936	-	278,936	-	-
Net OPEB Liability	835,543	3,455	-	838,998	-
<b>Total business-type activities</b>	<b>\$ 13,754,654</b>	<b>\$ 4,118,067</b>	<b>\$ 2,279,312</b>	<b>\$ 15,593,409</b>	<b>\$ 607,733</b>
<b>Discretely presented component unit:</b>					
Other postemployment benefits	\$ 159,665	\$ -	\$ 159,665	\$ -	\$ -
Net OPEB Liability	342,981	-	17,083	325,898	-
<b>Total discretely presented component unit</b>	<b>\$ 502,646</b>	<b>\$ -</b>	<b>\$ 176,748</b>	<b>\$ 325,898</b>	<b>\$ -</b>

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

### **e. Conduit Debt Obligations**

Bertie 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 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, 2018, there were no industrial revenue bonds outstanding.

**Bertie County, North Carolina  
Notes to Financial Statements**

**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2018, consist of the following:

Transfer from the Capital Reserve Schools to the General Fund for debt services.	\$ 1,149,678
Transfer from the General Fund to the Revaluation Fund to accumulate resources for the revaluation of real property.	65,000
Transfer from the Bertie High School to the Capital Reserve Schools to close out the fund.	658,274
<b>Total</b>	<b>\$ 1,872,952</b>

**D. Net Investment in Capital Assets**

	Governmental	Business-type
Capital assets	\$ 30,503,006	\$ 31,615,122
Less: long-term debt	27,660,468	14,186,457
Add: debt related to assets not owned by the County	5,584,174	-
Net investment in capital assets	\$ 8,426,712	\$ 17,428,665

**E. Fund Balance**

Bertie County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it's in the best interest of the County.

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

Total fund balance - General Fund	\$ 7,227,139
Less:	
Drug	1,191
Stabilization by State Statute	2,290,715
Tax Revaluation	174,160
Education	644,319
OPEB Trust	484,800
Fund Balance Policy	2,798,224
Remaining Fund Balance	833,730

## Bertie County, North Carolina Notes to Financial Statements

Bertie County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures.

### **III. Joint Ventures**

The County participates in a joint venture to operate the Albemarle Regional Library with three other local governments. Each participating government appoints three board members to the twelve member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2018. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$140,973 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at Winton, North Carolina.

The County participates in a joint venture to operate East Carolina Behavioral Health with nine other counties. Each participating government appoints members to the eighteen member board. Bertie County appoints two members to the board. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2018. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$49,390 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 144 Community College Road, Ahoskie, North Carolina 27910.

The County participates in a joint venture to operate the Bertie-Martin Regional Jail (Jail) with one other local government. Each participating government appoints three board members to the six-member board of the Jail. The County has an ongoing financial responsibility for the joint venture because the Jail's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Jail, so no equity interest has been reflected in the financial statements at June 30, 2018. In accordance with the governmental agreement between the participating governments, the County appropriated \$1,070,085 to the Jail to supplement its activities. This amount represents 46.0% of the total contributions by the participating governments. Complete financial statements for the Jail may be obtained from the Jail's office at 230 County Farm Road, Windsor, North Carolina 27983.

The County participates in a joint venture to operate the Choanoke Public Transportation Authority with three other local governments. Each participating government appoints board members to the nine member board based upon population. Bertie County appoints two members to the board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2018. In accordance with the intergovernmental

## Bertie County, North Carolina Notes to Financial Statements

agreement between the participating governments, the County appropriated \$10,000 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained from the Authority's office at P. O. Box 320, Rich Square, North Carolina 27869.

### **IV. Jointly Governed Organizations**

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East 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 \$6,863 to the Council during the fiscal year ended June 30, 2018.

### **V. Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Energy assistance	\$ 135,200	\$ -
State Foster Care	-	6,635
SFHF Maximization	-	223
Foster Care At Risk Maximization	-	2,444
Total	\$ 135,200	\$ 9,302

### **VI. Summary Disclosure of Significant Commitments and Contingencies**

#### **Federal and State Assisted Programs**

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

### **VII. Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Tax**

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2018, the County reported these local option

## Bertie County, North Carolina Notes to Financial Statements

sales taxes within its General Fund and Capital Projects Fund. The County expended the restricted portion of these taxes for public school capital outlays and retirement of school indebtedness.

### **VIII. Public School Building Capital Fund**

This program is funded using a portion of the corporate income taxes which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue shall remit to the State Treasurer for credit in the fund, an amount equal to the applicable fraction provided by the following table of the net collections of corporate income taxes received during the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund. For the period from 10/01/1999 to 9/30/2000, the applicable fraction was one-fourteenth (1/14) of the net collections; for periods after 9/30/2000, the applicable fraction is five sixty-ninths (5/69) of the net collections of corporate taxes.

Monies in the fund are allocated to Bertie County on the basis of the average daily membership (ADM) for Bertie County Board of Education as determined and certified by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2018, the balance of the County's ADM allocation account was \$3,089. The County must match this balance on the basis of one dollar for every three dollars of State funds, for financing the school unit's facilities capital needs. The local school technology plan does not require a county match. This program is also funded in part, using a portion of the lottery funds collected from the NC Education Lottery. Distributions of the lottery money are made based on the County's average daily membership (ADM) and on the tax rate of the County. At June 30, 2018, the balance of the County's Lottery Fund account was \$258,787. This does not require a county match.

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 2018, the County's disbursing account had a balance of \$2,923.

Funds in the allocation and disbursing accounts are considered State monies until the County issues warrants to disburse them. At that time, they are recognized in the County's General Fund as a restricted intergovernmental revenue.

### **IX. Notes Receivable**

#### General Fund

In December 1999, the County entered into a capital lease agreement with Vidant Medical Center (formerly Pitt County Memorial Hospital). The County is responsible for the construction and financing of a new hospital. As of June 20, 2002, the hospital was completed and the County began leasing the new facilities to Vidant. The title to the facilities transfers to Vidant at the end of the lease term, thus creating a note receivable from Vidant. At June 30, 2018, the fair market value of the lease was \$2,679,020.



## Bertie County, North Carolina Notes to Financial Statements

In December 1993, the County accepted a note receivable from Landmark Asset Services, Inc., in exchange for 6.78 acres of land. The face value of the note is \$90,000, due in one single principal payment in 2044 and is non-interest bearing. The note is valued on the financial statements at the fair market value of the land of \$39,163 and is recorded as deferred revenue because the revenue is measurable, but not available.

In December 1995, the County accepted a note receivable from Landmark Asset Services, Inc., in consideration for environmental clean-up and site improvement expenditures incurred by the County. The face value of the note is \$249,520, due in one single payment in 2046 and is non-interest bearing. The note is valued on the financial statements at face value and is recorded as a deferred revenue because the revenue is measurable, but not available.

In July 2004, the County accepted a note receivable from Bertie Memorial Limited Partnership in consideration for environmental clean-up and site improvement expenditures incurred by the County. The face value of the note is \$129,600, due in eighteen payments beginning in 2037 and is non-interest bearing. The note is valued on the financial statements at face value and is recorded as a deferred revenue because the revenue is measurable, but not available.

### **X. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to adjust beginning net OPEB liability. As a result, net position for the governmental and business-type activities decreased by \$9,228,770 and \$556,607 respectively.

**Bertie County, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Schedule 1**

<b>Total OPEB Liability</b>	<b>2018</b>
Service cost	787,570
Interest	520,792
Changes of benefit terms	-
Differences between expected and actual experience	111,283
Changes of assumptions	(937,941)
Benefit payments	(420,356)
<b>Net change in total OPEB liability</b>	<b>61,348</b>
<b>Total OPEB liability - beginning</b>	<b>14,837,317</b>
<b>Total OPEB liability - ending</b>	<b>14,898,665</b>

<b>Covered payroll</b>	4,875,577
<b>County's net OPEB liability as a percentage of covered payroll</b>	305.58%

**Notes to Schedule**

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.89%

**Bertie County, North Carolina  
Local Governmental Employees' Retirement System  
Required Supplemental Information  
Schedule of the County's Proportionate Share  
of the Net Pension Liability (Asset)  
Schedule 2**

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.1306%	0.1140%	0.1047%	0.0811%	0.8310%
County's proportionate share of the net pension liability (asset) (\$)	\$ 1,995,817	\$ 2,420,311	\$ 469,977	\$ (478,284)	\$ 1,001,674
County's covered-employee payroll	\$ 7,180,138	\$ 7,198,427	\$ 6,638,186	\$ 6,546,107	\$ 5,337,910
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.80%	33.62%	7.08%	(7.31)%	18.77%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%

**Bertie County, North Carolina  
Local Governmental Employees' Retirement System  
Required Supplemental Information  
Schedule of the County's Contributions  
Schedule 3**

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 547,481	\$ 523,363	\$ 445,210	\$ 428,252	\$ 354,841
Contributions in relation to the contractually required contribution	547,481	523,363	445,210	428,252	354,841
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 7,180,138	\$ 7,198,427	\$ 6,638,186	\$ 6,546,107	\$ 5,337,910
Contributions as a percentage of covered-employee payroll	7.62%	7.27%	6.71%	6.54%	6.65%

**Bertie County, North Carolina**  
**Register of Deeds Supplemental Pension Fund**  
**Required Supplemental Information**  
**Schedule of the County's Proportionate Share**  
**of the Net Pension Liability (Asset)**  
**Schedule 4**

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.12288%	0.11913%	0.11998%	0.12285%	0.11879%
County's proportionate share of the net pension liability (asset) (\$)	\$ (20,974)	\$ (22,273)	\$ (27,804)	\$ (27,841)	\$ (25,374)
County's covered-employee payroll	\$ 137,645	\$ 133,877	\$ 122,973	\$ 119,148	\$ 118,870
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.24%	-16.64%	-22.61%	-23.37%	-21.35%
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

**Bertie County, North Carolina**  
**Register of Deeds Supplemental Pension Fund**  
**Required Supplemental Information**  
**Schedule of the County's Contribution**  
**Schedule 5**

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,002	\$ 1,068	\$ 973	\$ 960	\$ 1,003
Contributions in relation to the contractually required contribution	1,002	1,068	973	960	1,003
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
County's covered-employee payroll	\$ 137,645	\$ 133,877	\$ 122,973	\$ 119,148	\$ 118,870
Contributions as a percentage of covered-employee payroll	0.73%	0.80%	0.79%	0.81%	0.84%

**Bertie County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplemental Information**  
**Schedule of Changes in Total Pension Liability**  
**Schedule 6**

	2018	2017
Beginning balance	\$ 475,161	\$ 457,728
Service Cost	29,088	26,421
Interest on the total pension liability	18,062	16,082
Differences between expected and actual experience in the measurement of the total pension liability	(75,901)	-
Changes of assumptions or other inputs	30,699	(10,594)
Benefit payments	(14,476)	(14,476)
<b>Ending balance of the total pension liability</b>	<b>\$ 462,633</b>	<b>\$ 475,161</b>

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

**Bertie County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Schedule 7**

	2018	2017
Total pension liability	\$ 462,633	\$ 475,161
Covered payroll	1,140,114	1,049,983
Total pension liability as a percentage of covered payroll	40.58%	45.25%

Notes to the schedules:

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

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**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes			
Current year		\$ 10,672,112	
Prior years		393,017	
Penalties and interest		148,557	
Total	\$ 11,157,839	11,213,686	\$ 55,847
Other taxes			
Local 1 percent sales tax-article 39		424,730	
Scrap tire disposal tax		26,509	
NC excise tax		220,611	
Lease vehicle tax		64	
Total	490,100	671,914	181,814
Intergovernmental revenues:			
Wine and beer		60,391	
Emergency Management		39,859	
Local 1/2¢ sales tax-article 40		1,092,724	
Local 1/2¢ sales tax-article 42		473,561	
Local 1/2¢ sales tax-article 44		658,888	
State DWI reimbursement		1,043	
Payment in lieu of taxes		47,787	
Veteran services		2,000	
Aging office		208,535	
CAMA		400	
Soil conservation		23,300	
Juvenile Crime Prevention Council		93,232	
Court facility fees		36,421	
Officer fees		43,043	
Restricted drug money		4,949	
School Resource Officer - Board of Ed		68,713	
Rural General Public Transportation		40,559	
Aging - Senior outreach		4,030	
Social services - general administration		2,268,868	
Day Care		55,159	
Child support		324,237	
Foster care		17,116	
Elderly/Handicapped transportation		62,195	
Hurricane Isabel stream cleanup		11,798	
Shiip Grant		1,582	
Solid Waste Disposal		11,551	

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Medicaid EMS Cost Settlement		364,415	
EFNEP program assistant		23,000	
Drug Task force		352	
MIPPA Grant		2,146	
Eat Smart Move More		4,500	
4-H Cooking camp		3,000	
Low Income Energy Assistance		135,200	
Mid East		34,722	
Golden Leaf Grant		43,624	
NCACC/ICMA Fellowship		5,694	
Total	6,376,282	6,268,594	(107,688)
Licenses and permits:			
Recording fees		46,295	
Vital record fees		13,896	
Concealed weapons		12,720	
Recreation fees		4,956	
Peddlers license		25	
Other fees		60,598	
Inspection fees and building permits		77,088	
Cultural resources		2,159	
Floodplain mapping fee		4,750	
Concession profits		306	
Total	214,890	222,793	7,903
Sales and services:			
Rents and concessions		48,669	
Jail fees		4,358	
Ambulance fees		1,005,350	
Non-Emergency transport		1,107,033	
Landfill host fees		1,813,069	
Aging Program income		10,645	
Registration fees		105	
Vehicle tax collection fees		4,349	
Total	3,912,532	3,993,578	81,046
Investment earnings	20,000	35,931	15,931

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Miscellaneous:			
Fuel tax		71,693	
Miscellaneous		124,819	
5¢ per bottle tax		2,883	
Sale of assets		1,144	
Sale of land		4,675	
Indirect cost		229,250	
Insurance proceeds		21,661	
Hurricane Reimbursement - FEMA		21,561	
Hospital lease revenue		826,650	
5% water gross receipts		19,698	
5% electric gross receipts		21,898	
5% sewer gross receipts		4,008	
Reimbursement Cooperative Extension Program Income		3,130	
KB Reynolds Grant		150,000	
Implemental functions of NC911		28,962	
Total	1,500,203	1,532,032	31,829
Total revenues	23,671,846	23,938,528	266,682
<b>EXPENDITURES</b>			
<u>General Government</u>			
Governing body:			
Salaries and benefits		83,502	
Travel		51,008	
Telephone and postage		1,247	
Dues and subscriptions		5,741	
Advertising		1,864	
Insurance and bonds		44,056	
Miscellaneous		25,538	
Total	227,076	212,956	14,120
Administration:			
Salaries and benefits		252,460	
Telephone and postage		6,289	
Advertising		48	
Travel		8,576	
Supplies and materials		10,389	
Dues and subscriptions		1,132	
Insurance and bonds		627	
Employee training		825	
Total	280,926	280,346	580

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<b>Finance:</b>			
Salaries and benefits		201,914	
Supplies and materials		7,958	
Travel		1,210	
Telephone and postage		5,976	
Contracted services		22,613	
Dues and subscriptions		50	
Maintenance and repairs		2,541	
Insurance and bonds		175	
Employee training		524	
Total	270,301	242,961	27,340
<b>Human Resources and Risk Service:</b>			
Salaries and benefits		68,263	
Telephone and postage		688	
Travel		1,694	
Supplies and materials		662	
Dues and subscriptions		35	
Employee training		275	
Total	84,953	71,617	13,336
<b>Elections:</b>			
Salaries and benefits		99,821	
Telephone and postage		4,603	
Travel		7,164	
Buildings and equipment rents		345	
Advertising		2,104	
Supplies and materials		10,015	
Maintenance and repairs		18,300	
Contracted services		12,562	
Dues and subscriptions		110	
Insurance and bonds		288	
Employee training		2,397	
Total	197,009	157,709	39,300
<b>Tax Collections:</b>			
Salaries and benefits		380,244	
Telephone and postage		16,794	
Travel		2,458	
Insurance and bonds		450	
Advertising		5,428	

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Office supplies		8,266	
Contracted services		152,659	
Maintenance and repairs		1,967	
Dues and subscriptions		320	
Miscellaneous		20,815	
Capital outlay		9,995	
Total	631,503	599,396	32,107
Legal:			
Contracted services		93,566	
Tax foreclosures		100,008	
Total	195,000	193,574	1,426
Register of Deeds:			
Salaries and benefits		189,481	
Telephone and postage		3,123	
Travel		2,143	
Supplies and materials		7,475	
Fees		1,727	
Contracted services		16,716	
Dues and subscriptions		375	
Insurance and bonds		1,038	
Maintenance and repairs		38,905	
Conveyance tax		108,108	
Domestic violence		2,030	
Floodplain mapping plan		4,750	
Employee training		550	
Total	394,036	376,421	17,615
Data Center:			
Salaries and benefits		175,222	
Telephone and postage		19,403	
Travel		1,939	
Supplies and materials		17,245	
Maintenance and repairs		35,279	
Total	253,413	249,088	4,325

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<b>Public Buildings:</b>			
Salaries and benefits		377,085	
Telephone and postage		1,751	
Utilities		73,073	
Maintenance and repairs - buildings		197,627	
Maintenance and repairs - vehicles and equipment		10,368	
Automotive supplies		10,937	
Supplies and materials		22,775	
Contracted services		14,904	
Insurance and bonds		27,506	
Uniforms		2,128	
Blue Jay Park		107,484	
Capital outlay		69,594	
	1,232,673	915,232	317,441
Allocated to court facilities	(46,000)	(46,000)	-
<b>Total</b>	<b>1,186,673</b>	<b>869,232</b>	<b>317,441</b>
<b>Court Facilities:</b>			
Utilities and telephone		28,669	
Buildings and equipment rents		417	
Miscellaneous		5,099	
Capital outlay		57,000	
	195,872	91,185	104,687
Allocated from public buildings	46,000	46,000	-
<b>Total</b>	<b>241,872</b>	<b>137,185</b>	<b>104,687</b>
<b>Parks and Recreation:</b>			
Salaries and benefits		147,009	
Supplies and materials		20,454	
Travel		3	
Telephone and postage		1,670	
Maintenance and repairs		9,650	
Insurance and bonds		3,688	
Supplemental grants		9,967	
Contracted services		2,740	
Dues and subscriptions		130	
Utilities		11,961	
Community based recreation		17,000	
Capital outlay		4,050	
<b>Total</b>	<b>310,181</b>	<b>228,322</b>	<b>81,859</b>

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<b>Library - Temporary Location:</b>			
Utilities and telephone		5,728	
Maintenance and repair		22,920	
Buildings and equipment rents		33,084	
<b>Total</b>	<b>83,506</b>	<b>61,732</b>	<b>21,774</b>
<b>Appropriations:</b>			
Retiree health insurance		421,039	
<b>Total</b>	<b>679,900</b>	<b>421,039</b>	<b>258,861</b>
<u><b>Total General Government</b></u>	<b>5,036,349</b>	<b>4,101,578</b>	<b>934,771</b>
<b><u>Public Safety</u></b>			
<b>Sheriff:</b>			
Salaries and benefits		1,896,705	
Employee training		5,818	
Telephone and postage		24,411	
Travel		1,363	
Maintenance and repairs - equipment		11,309	
Maintenance and repairs - vehicles		53,624	
Maintenance and repairs - building		45,596	
Automotive supplies		149,740	
Supplies and materials		184,458	
Dues and subscriptions		423	
Insurance and bonds		33,586	
Uniforms		18,137	
Utilities		32,080	
Restricted drug money		18,283	
Employee physical		464	
Miscellaneous		2,422	
Capital outlay - vehicles		46,695	
<b>Total</b>	<b>2,742,983</b>	<b>2,525,114</b>	<b>217,869</b>
<b>Emergency Management:</b>			
Salaries and benefits		83,315	
Telephone and postage		2,282	
Travel		986	
Insurance and bonds		2,199	

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Supplies and materials		38,599	
Maintenance and repairs		33,860	
Contracted services		7,484	
Fire department		360,000	
Uniforms		219	
Rescue squad		16,000	
Supplemental grant		1,525	
Capital outlay - equipment		12,050	
<b>Total</b>	<b>559,731</b>	<b>558,519</b>	<b>1,212</b>
<b>Emergency Services:</b>			
Salaries and benefits		2,018,286	
Telephone and postage		6,463	
Travel		47	
Supplies and materials		201,937	
Maintenance and repairs		14,691	
Training		10,881	
Insurance and bonds		19,647	
Capital outlay		38,977	
Utilities		19,946	
Contracted services		69,559	
<b>Total</b>	<b>2,531,363</b>	<b>2,400,434</b>	<b>130,929</b>
<b>Non-Emergency Services:</b>			
Salaries and benefits		777,830	
Telephone and postage		2,528	
Supplies and materials		92,694	
Maintenance and repairs		23,391	
Advertising		8,742	
Training		3,500	
Insurance and bonds		1,795	
Contracted services		57,124	
<b>Total</b>	<b>1,049,657</b>	<b>967,604</b>	<b>82,053</b>
<b>Planning and inspection:</b>			
Salaries and benefits		230,358	
Telephone and postage		4,071	
Travel		1,878	
Maintenance and repairs		4,382	



**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Automotive supplies		8,570	
Supplies and materials		2,467	
Dues and subscriptions		599	
Insurance and bonds		1,881	
Contracted services		13,626	
Miscellaneous		1,025	
Total	323,239	268,857	54,382
<b>Animal Control:</b>			
Salaries and benefits		102,933	
Utilities		2,985	
Maintenance and repairs		2,617	
Telephone and postage		1,462	
Automotive supplies		9,826	
Supplies and materials		2,437	
Insurance and bonds		1,495	
Contracted services		6,451	
Uniforms		797	
Special shelter needs		9,812	
Capital outlay - lease		4,833	
Total	213,821	145,648	68,173
<b>Medical Examiner:</b>			
Professional services	25,000	10,750	14,250
<b>Communications:</b>			
Salaries and benefits		422,510	
Telephone and postage		24,116	
Utilities		4,735	
Supplies and materials		3,486	
Insurance and bonds		517	
Maintenance contracts		14,065	
Total	479,012	469,429	9,583
<b>Storm Preparations:</b>			
Contracted services		4,000	
Miscellaneous		6,927	
Total	11,000	10,927	73

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<b>Appropriations:</b>			
Bertie-Martin Regional Jail		1,070,085	
<b>Total</b>	<b>1,070,085</b>	<b>1,070,085</b>	<b>-</b>
<u><b>Total Public Safety</b></u>	<b>9,005,891</b>	<b>8,427,367</b>	<b>578,451</b>
<u><b>Environmental Protection:</b></u>			
<b>Sanitation:</b>			
Tire disposal		30,360	
Convenience centers		442,308	
Contracted services		7,010	
<b>Total</b>	<b>479,678</b>	<b>479,678</b>	<b>-</b>
<u><b>Total Environmental Protection</b></u>	<b>479,678</b>	<b>479,678</b>	<b>-</b>
<u><b>Economic and Physical Development:</b></u>			
<b>Agricultural Extension:</b>			
Salaries and benefits		193,176	
Maintenance and repairs - equipment		44	
Telephone and postage		7,601	
Programs		7,966	
Eat Smart Move More		4,535	
4-H Cooking Camp		2,867	
Travel		4,856	
Supplies and materials		17,085	
Dues and subscriptions		1,114	
Employee training		536	
<b>Total</b>	<b>261,829</b>	<b>239,780</b>	<b>22,049</b>
<b>Economic Development:</b>			
Salaries and benefits		76,385	
Telephone and postage		860	
Travel		4,631	
Supplies and materials		13	
Dues and subscriptions		320	
Contracted services		4,527	
Peanut Belt Rural Planning		6,648	
Employee training		1,127	
<b>Total</b>	<b>166,490</b>	<b>94,511</b>	<b>71,979</b>

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Soil Conservation:			
Salaries and benefits		69,450	
Dues and subscriptions		546	
Transportation		1,600	
Hurricane Isabel stream cleanup		11,798	
Aquatic weed control		1,795	
Total	90,496	85,189	5,307
<u>Total Economic &amp; Physical Development</u>	518,815	419,480	99,335
<u>Human Services:</u>			
Health:			
Administration:			
Insurance and bonds		1,269	
Management fee yearly appropriation		96,000	
Total	98,000	97,269	731
Total Health	98,000	97,269	731
Social Services:			
Administration:			
Salaries and benefits		2,249,084	
Telephone and postage		40,083	
Utilities		32,168	
Travel		9,842	
Maintenance and repairs		10,385	
Food stamp - EBT		9,051	
Maintenance contracts		6,383	
Vehicle supplies		4,895	
Supplies and materials		27,295	
Contracted services		17,086	
Dues and subscriptions		988	
Insurance		7,097	
Vidant Bertie Hospital - Indigent Care		120,000	
Miscellaneous expense		1,608	
Total	2,889,092	2,535,965	353,127

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
General Assistance:			
Public assistance		610	
SAA		320,434	
State Foster care		17,417	
Day Care		55,159	
Medicaid		(111)	
Legal services		30,758	
Chore services		44,163	
Adoption assistance		26,939	
Foster Child Adoption Incentive		11,060	
Transport of patients and other		99,957	
Work First		11,226	
AFDC - Foster Care		19,167	
AFDC - Local		1,000	
Crisis Intervention		135,111	
Jobs programs		7,500	
Aid to blind		1,655	
Low Income Home Energy		135,200	
DNA testing		1,948	
Child support		433,653	
Total	1,922,638	1,352,846	569,792
Aid to Aged and Disabled:			
Salaries and benefits		206,316	
Advertising		578	
Vehicles supplies		121	
Telephone and postage		4,536	
Travel		9,059	
Maintenance and repairs		28,212	
Building and equipment rent		7,800	
Respite		70,158	
Transportation of patients		31,727	
Utilities		15,574	
Home delivered meals		39,819	
Food and provisions		47,271	
Insurance and bonds		2,039	
Janitor		1,324	
Senior Center		4,708	

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
Classes		3,327	
SHIP Grant		386	
MIPPA grant		1,064	
Supplies and materials		4,296	
Dues and subscriptions		243	
Employee training		503	
<b>Total</b>	<b>518,238</b>	<b>479,061</b>	<b>39,177</b>
<b>Total Social Services</b>	<b>5,329,968</b>	<b>4,367,872</b>	<b>962,096</b>
Veterans Service Office:			
Salaries and benefits		49,175	
Telephone and postage		574	
Travel		4,107	
Employee training		575	
Supplies and materials		1,029	
Dues and subscriptions		75	
<b>Total</b>	<b>59,814</b>	<b>55,535</b>	<b>4,279</b>
Appropriations:			
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Choanoke Public Transit Authority		10,000	
<b>Total</b>	<b>59,390</b>	<b>59,390</b>	<b>-</b>
<b><u>Total Human Services</u></b>	<b>5,547,172</b>	<b>4,580,066</b>	<b>967,106</b>
<u>Education:</u>			
Public schools current expense			
Public schools current expense		3,003,000	
Public Schools capital outlay		279,746	
Martin Community College		55,821	
Martin Community College Bertie Campus		26,700	
Roanoke Chowan Community College		55,000	
RCC capital outlay		40,000	
<b>Total</b>	<b>3,555,521</b>	<b>3,460,267</b>	<b>95,254</b>
<b><u>Total Education</u></b>	<b>3,555,521</b>	<b>3,460,267</b>	<b>95,254</b>

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<u>Special Appropriations:</u>			
Other Agencies:			
Arts Council		3,000	
Airport		20,000	
Mideast Commission		6,863	
Better Beginnings		105,080	
Roanoke River Partners		2,000	
Forest service		111,087	
Historical group		15,000	
Bertie County YMCA		20,000	
Library		140,973	
Juvenile detention		12,810	
CADA		4,800	
CBA task force		4,000	
Roanoke River Basin		2,000	
Windsor Area Chamber		4,000	
Food Bank of Albemarle		1,000	
Partnership for the Sounds		8,000	
Roanoke-Chowan Safe		2,000	
Rural general public transportation		56,853	
Highway 17 Association		4,000	
Three Rivers Healthy Carolina		500	
Children Matters		27,500	
Humane Society		2,000	
Vocation Jobs/Education		27,500	
Second Chance Counts		27,500	
Cashie Drainage System		43,624	
M Power		15,655	
NC Low Grant		45,000	
Relay for Life		2,000	
ROTC Military Ball		750	
Aulander Peanut Festival		500	
NAACP		500	
Roxobel Festival		1,000	
Black History Dinner		100	
Total	766,369	717,595	48,774
<u>Total Special Appropriations</u>	766,369	717,595	48,774

**Bertie County, North Carolina**  
**General Fund Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 8**

	Final Budget	Actual	Variance Positive (Negative)
<u>Debt Service:</u>			
Principal retirement	1,993,662	1,993,660	
Interest and fees	1,162,773	1,162,771	
Total	3,156,435	3,156,431	4
<u>Total Debt Service</u>	3,156,435	3,156,431	4
Total expenditures	28,066,230	25,342,462	2,723,695
Revenues over (under) expenditures	(4,394,384)	(1,403,934)	(2,990,450)
<u>Other financing sources (uses):</u>			
Transfers from other funds:			
Capital Reserve Schools Fund	2,511,647	1,149,678	(1,361,969)
Transfers to other funds:			
Tax Revaluation Fund	(65,000)	(65,000)	-
Capital Reserve Schools Fund	(75,000)	-	75,000
Total other financing sources and (uses)	2,371,647	1,084,678	(1,286,969)
Revenues and other sources over (under) expenditures and other uses	(2,022,737)	(319,256)	1,703,481
Appropriated fund balance	2,022,737	-	(2,022,737)
Net change in fund balance	\$ -	(319,256)	\$ (319,256)
Fund balance-beginning		6,727,916	
Fund balance-ending		\$ 6,408,660	

**Bertie County, North Carolina**  
**Revaluation Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 9**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
<b>EXPENDITURES</b>			
Current:			
Revaluation	\$ 113,120	\$ 48,117	\$ 65,003
Total expenditures	113,120	48,117	65,003
Revenues over (under) expenditures	113,120	48,117	65,003
<b>OTHER FINANCING SOURCES</b>			
Transfers in - General Fund	65,000	65,000	-
Fund balance appropriated	48,120	-	(48,120)
Total other financing sources	113,120	65,000	(48,120)
Revenues and other sources over (under) expenditures	-	16,883	16,883
Fund balance, beginning		157,277	
Fund balance, ending		\$ 174,160	



**Bertie County, North Carolina  
Capital Reserve – Schools Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and Actual  
For the Fiscal Year Ended June 30, 2018  
Schedule 10**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Investment earnings	\$ 1,000	\$ 6,180	\$ 5,180
QSCB interest	-	726,320	726,320
Total revenue	1,000	732,500	731,500
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in - General Fund	75,000	-	(75,000)
Transfers out - General Fund	(2,511,647)	(1,149,678)	1,361,969
Transfers in - Bertie High School Fund	-	658,274	658,274
Total transfers	(2,436,647)	(491,404)	1,945,243
Revenues and other sources over (under) expenditures	(2,435,647)	241,096	2,676,743
Appropriated fund balance	2,435,647	-	(2,435,647)
Revenues, other sources (uses), and appropriated fund balance over (under) expenditures	\$ -	241,096	\$ 241,096
Fund balances, beginning		403,223	
Fund balances, ending		\$ 644,319	

**Bertie County, North Carolina**  
**Nonmajor Governmental Funds Combining Balance Sheet**  
**June 30, 2018**  
**Schedule 11**

	Special Revenue Funds		Capital Project Funds					Total Nonmajor Governmental Funds
	Emergency Telephone System	Total Nonmajor Special Revenue Funds	Library Co-Op Extension Building Fund	EMS Building Fund	Disaster Recovery Fund	Total Nonmajor Capital Projects Funds		
<b>ASSETS</b>								
Cash and investments	\$ 60,386	\$ 60,386	\$ 57,698	\$ 746	\$ -	\$ 58,444	\$ 118,830	
Accounts receivable (net)	14,545	14,545	-	30,489	-	30,489	45,034	
<b>Total assets</b>	<b>\$ 74,931</b>	<b>\$ 74,931</b>	<b>\$ 57,698</b>	<b>\$ 31,235</b>	<b>\$ -</b>	<b>\$ 88,933</b>	<b>\$ 163,864</b>	
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ 2,713	\$ 2,460	\$ 5,173	\$ 5,173	
Due to other funds	-	-	-	-	28,280	28,280	28,280	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,713</b>	<b>30,740</b>	<b>33,453</b>	<b>33,453</b>	
<b>FUND BALANCES</b>								
Restricted:								
Stabilization by State Statute	14,545	14,545	-	30,489	-	30,489	45,034	
Unassigned	60,386	60,386	57,698	(1,967)	(30,740)	24,991	85,377	
<b>Total fund balances</b>	<b>74,931</b>	<b>74,931</b>	<b>57,698</b>	<b>28,522</b>	<b>(30,740)</b>	<b>55,480</b>	<b>130,411</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 74,931</b>	<b>\$ 74,931</b>	<b>\$ 57,698</b>	<b>\$ 31,235</b>	<b>\$ -</b>	<b>\$ 88,933</b>	<b>\$ 163,864</b>	

**Bertie County, North Carolina**  
**Nonmajor Governmental Funds Combining Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**For The Fiscal Year Ended June 30, 2018**  
**Schedule 12**

	Special Revenue Funds		Capital Project Funds					Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Emergency Telephone System	Total Nonmajor Special Revenue Funds	Library Co-Op Extension Building Fund	EMS Building Fund	Bertie High School Fund	Disaster Recovery Fund			
<b>REVENUES</b>									
Investment earnings	\$ 492	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492	
Federal and State grants	-	-	-	166,502	-	-	166,502	166,502	
Intergovernmental revenues	174,540	174,540	-	-	-	-	-	174,540	
Miscellaneous	1,709	1,709	136,387	-	-	-	136,387	138,096	
<b>Total revenues</b>	<b>176,741</b>	<b>176,741</b>	<b>136,387</b>	<b>166,502</b>	<b>-</b>	<b>-</b>	<b>302,889</b>	<b>479,630</b>	
<b>EXPENDITURES</b>									
Current:									
Public safety	174,564	174,564	-	-	-	-	-	174,564	
Economic and physical development	-	-	78,689	137,980	-	30,740	247,409	247,409	
<b>Total expenditures</b>	<b>174,564</b>	<b>174,564</b>	<b>78,689</b>	<b>137,980</b>	<b>-</b>	<b>30,740</b>	<b>247,409</b>	<b>421,973</b>	
Excess (deficiency) of revenues over (under) expenditures	2,177	2,177	57,698	28,522	-	(30,740)	55,480	57,657	
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers out	-	-	-	-	(658,274)	-	(658,274)	(658,274)	
Total other financing sources (uses)	-	-	-	-	(658,274)	-	(658,274)	(658,274)	
Net change in fund balance	2,177	2,177	57,698	28,522	(658,274)	(30,740)	(602,794)	(600,617)	
Fund balance, beginning	72,754	72,754	-	-	658,274	-	658,274	731,028	
Fund balance, ending	\$ 74,931	\$ 74,931	\$ 57,698	\$ 28,522	\$ -	\$ (30,740)	\$ 55,480	\$ 130,411	

**Bertie County, North Carolina  
Emergency Telephone System Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For The Fiscal Year Ended June 30, 2018  
Schedule 13**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Restricted intergovernmental	\$ 174,541	\$ 174,540	\$ (1)
Investment earnings	500	492	(8)
Miscellaneous	-	1,709	1,709
Total	175,041	176,741	1,700
<b>EXPENDITURES</b>			
Implemental functions	29,380	28,962	418
Telephone	62,074	62,051	23
Software maintenance	938	938	-
Hardware maintenance	82,549	82,518	31
Training	100	95	5
Total expenditures	175,041	174,564	477
Revenues over (under) expenditures	-	2,177	\$ 2,177
Fund balances, beginning		72,754	
Fund balances, ending		\$ 74,931	

**Bertie County, North Carolina  
Library/Co-Op Building Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2018  
Schedule 14**

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
<b>REVENUES:</b>						
Golden Leaf Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ (500,000)
Donations	120,000	-	136,387	136,387	136,387	16,387
Total revenue	620,000	-	136,387	136,387	136,387	(483,613)
<b>EXPENDITURES:</b>						
Site preparation	50,000	-	-	-	-	50,000
Engineering	400,000	-	71,435	71,435	71,435	328,565
Survey/acquisition	60,000	-	3,000	3,000	3,000	57,000
Permits reimbursable	20,000	-	-	-	-	20,000
Legal	40,000	-	4,254	4,254	4,254	35,746
Contingency	50,000	-	-	-	-	50,000
Total expenditures	620,000	-	78,689	78,689	78,689	541,311
Net change in fund balance	\$ -	\$ -	57,698	\$ 57,698	\$ 57,698	\$ 57,698
Fund balance, beginning						-
Fund balance, ending			\$ 57,698			

**Bertie County, North Carolina**  
**EMS Building Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**  
**Schedule 15**

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
<b>REVENUES:</b>						
State grant	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ (300,000)
FEMA reimbursement	284,299	-	166,502	166,502	166,502	(117,797)
Total revenue	584,299	-	166,502	166,502	166,502	(417,797)
<b>EXPENDITURES:</b>						
Site preparation	145,000	-	28,800	28,800	28,800	116,200
Construction	257,012	-	6,192	6,192	6,192	250,820
Engineering	34,253	-	34,253	34,253	34,253	-
Permits reimbursable	20,000	-	-	-	-	20,000
Building and equipment	68,735	-	68,735	68,735	68,735	-
Capital outlay - equipment	40,000	-	-	-	-	40,000
Contingency	19,299	-	-	-	-	19,299
Total expenditures	584,299	-	137,980	137,980	137,980	446,319
Net change in fund balance	\$ -	\$ -	28,522	\$ 28,522	\$ 28,522	\$ 28,522
Fund balance, beginning						-
Fund balance, ending			\$ 28,522			

**Bertie County, North Carolina**  
**Bertie High School Construction Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**  
**Schedule 16**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
NC Department of Transportation	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Investment earnings	-	5,274	-	5,274	5,274
Tax refunds	-	693,561	-	693,561	693,561
<b>Total revenue</b>	<b>-</b>	<b>748,835</b>	<b>-</b>	<b>748,835</b>	<b>748,835</b>
<b>EXPENDITURES:</b>					
Construction	19,837,611	19,804,082	-	19,804,082	33,529
Engineer and architectural fees	910,121	899,159	-	899,159	10,962
Furniture, fixtures and equipment	350,000	349,541	-	349,541	459
Legal fees	367,795	346,502	-	346,502	21,293
Bond insurance and issuance costs	69,473	41,478	-	41,478	27,995
<b>Total expenditures</b>	<b>21,535,000</b>	<b>21,440,762</b>	<b>-</b>	<b>21,440,762</b>	<b>94,238</b>
Revenues over (under) expenditures	(21,535,000)	(20,691,927)	-	(20,691,927)	843,073
<b>OTHER FINANCING SOURCES (USES)</b>					
Qualified School Construction Bonds	18,030,000	18,030,000	-	18,030,000	-
Limited Obligation Bonds	3,455,000	3,455,000	-	3,455,000	-
Bond discounts/premiums	-	41,962	-	41,962	41,962
Transfer in - School Capital Projects	700,000	700,000	-	700,000	-
Transfer out - School Capital Projects	(650,000)	(650,000)	(658,274)	(1,308,274)	(658,274)
<b>Total other financing sources (uses)</b>	<b>21,535,000</b>	<b>21,576,962</b>	<b>(658,274)</b>	<b>20,918,688</b>	<b>(616,312)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 885,035</b>	<b>(658,274)</b>	<b>\$ 226,761</b>	<b>\$ 226,761</b>
Fund balance, beginning			658,274		
Fund balance, ending			\$ -		

**Bertie County, North Carolina  
Disaster Recovery 17 Project Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2018  
Schedule 17**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>REVENUES:</b>					
State grant	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
Total revenue	1,000,000	-	-	-	(1,000,000)
<b>EXPENDITURES:</b>					
Temporary rental assistance	50,000	-	-	-	50,000
Rehabilitation	850,000	-	-	-	850,000
Administration	100,000	-	30,740	30,740	69,260
Total expenditures	1,000,000	-	30,740	30,740	969,260
Net change in fund balance	\$ -	\$ -	(30,740)	\$ (30,740)	\$ (30,740)
Fund balance, beginning				-	
Fund balance, ending			\$ (30,740)		



**Bertie County, North Carolina  
Regional Water District Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018  
Schedule 18**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
<b>Operating revenues:</b>			
Charges for services		\$ 2,489,055	
Water taps		46,764	
Other operating revenue		99,269	
Total operating revenues	\$ 2,808,800	2,635,088	\$ (173,712)
<b>Nonoperating revenues:</b>			
Investment earnings		10,829	
Miscellaneous revenue		13,761	
Total nonoperating revenues	15,000	24,590	9,590
Total revenues	2,823,800	2,659,678	(164,122)
<b>Expenditures:</b>			
<b>Water administration:</b>			
Salaries and benefits		604,983	
Telephone and postage		72,258	
Travel		757	
Repairs and maintenance		51,624	
Maintenance contracts		3,822	
Supplies		404,209	
Uniforms		3,402	
Contracted services		159,772	
Professional fees		29,200	
Dues and subscriptions		3,760	
Chemicals		14,118	
Employee training		305	
Insurance		21,187	
Utilities		128,725	
Water testing		10,118	
Capital outlay equipment		14,010	
Other expenses		311,372	
Total		1,833,622	151,221

**Bertie County, North Carolina  
Regional Water District Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018  
Schedule 18**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Debt service:			
Principal		421,650	
Interest, fees and amortization		412,199	
Total	838,957	833,849	5,108
Total expenditures	2,823,800	2,667,471	156,329
Revenues over (under) expenditures	-	(7,793)	(7,793)
Other financing sources (uses):			
Transfers out -Drinking Water State Revolving Loan Fund	(5,181)	-	
Transfers out -Drinking Water State Revolving Loan Fund	(29,985)	-	
Transfer out-Asset Inventory Phase II	(4,210)	-	
Appropriated net assets	39,376	-	
Total other financing sources (uses)	-	-	-
Revenues and other financing sources over (under) expenditures	\$ -	(7,793)	\$ (7,793)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		(7,793)	
Reconciling items:			
Depreciation		(781,918)	
Amortization		23,737	
Debt principal		421,650	
Capital contributions		1,202,418	
Tax refunds		68,266	
Interest earnings		347	
Increase (decrease) in deferred outflows of resources - pensions		(40,016)	
(Increase) decrease in net pension liability		28,952	
(Increase) decrease in deferred inflows of resources - pensions		1,720	
Increase (decrease) in deferred outflows of resources - OPEB		5,531	
(Increase) decrease in net OPEB liability		(3,455)	
(Increase) decrease in deferred inflows of resources - OPEB		(46,619)	
(Increase) decrease in accrued vacation payable		(1,250)	
Change in net position		\$ 871,570	

**Bertie County, North Carolina**  
**Drinking Water State Revolving Loan Fund – SCADA**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2018**  
**Schedule 19**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>REVENUES:</b>					
Tax refunds	\$ -	\$ -	\$ 11,211	\$ 11,211	\$ 11,211
Total revenues	-	-	11,211	11,211	11,211
<b>EXPENDITURES:</b>					
Construction	\$ 859,000	\$ -	\$ 835,974	\$ 835,974	\$ 23,026
Engineering	379,500	189,794	155,564	345,358	34,142
Acquisition	5,000	-	-	-	5,000
Administration	1,500	-	-	-	1,500
Legal	6,100	-	374	374	5,726
Miscellaneous	29,287	253	25,668	25,921	3,366
Contingency	28,689	-	-	-	28,689
Total expenditures	1,309,076	190,047	1,017,580	1,207,627	101,449
Revenues over (under) expenditures	(1,309,076)	(190,047)	(1,006,369)	(1,196,416)	112,660
<b>OTHER FINANCING SOURCES (USES)</b>					
NC DWSRR Loan	1,283,408	-	1,132,878	1,132,878	150,530
Transfer from Water	25,668	26,787	-	26,787	(1,119)
Total other financing sources (uses)	1,309,076	26,787	1,132,878	1,159,665	149,411
Revenues and other sources over (under) expenditures	\$ -	\$ (163,260)	\$ 126,509	\$ (36,751)	\$ (36,751)

**Bertie County, North Carolina  
Asset Inventory – Phase II Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2018  
Schedule 20**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants - H-AIA-D-2017-0062-2347-536919	\$ 84,200	\$ -	\$ 62,653	\$ 62,653	\$ (21,547)
Total revenues	84,200	-	62,653	62,653	(21,547)
<b>EXPENDITURES:</b>					
Engineering	\$ 87,147	\$ -	\$ 65,600	\$ 65,600	\$ 21,547
Administration	1,263	-	1,263	1,263	-
Total expenditures	88,410	-	66,863	66,863	21,547
Revenues over (under) expenditures	(4,210)	-	(4,210)	(4,210)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from Water	4,210	-	4,210	4,210	-
Total other financing sources (uses)	4,210	-	4,210	4,210	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**Bertie County, North Carolina**  
**USDA Rural Development Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2018**  
**Schedule 21**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 1,074,000	\$ -	\$ 1,074,000	\$ 1,074,000	\$ -
Tax refunds	-	-	50,290	50,290	50,290
<b>Total revenues</b>	<b>1,074,000</b>	<b>-</b>	<b>1,124,290</b>	<b>1,124,290</b>	<b>50,290</b>
<b>EXPENDITURES:</b>					
Construction	2,351,755	1,455,368	1,142,429	2,597,797	(246,042)
Engineering	371,400	335,212	101,745	436,957	(65,557)
Acquisition	5,000	-	-	-	5,000
Administration	11,500	2,993	3,373	6,366	5,134
Legal	10,000	2,037	2,140	4,177	5,823
Miscellaneous	20,000	15,050	7,831	22,881	(2,881)
Contingency	235,176	-	-	-	235,176
Interest	50,169	-	31,561	31,561	18,608
<b>Total expenditures</b>	<b>3,055,000</b>	<b>1,810,660</b>	<b>1,289,079</b>	<b>3,099,739</b>	<b>(44,739)</b>
Revenues over (under) expenditures	(1,981,000)	(1,810,660)	(164,789)	(1,975,449)	5,551
<b>OTHER FINANCING SOURCES (USES)</b>					
NC DWSRR Loan	1,717,000	1,526,038	188,141	1,714,179	2,821
Transfer from Water	264,000	264,000	29,985	293,985	(29,985)
Interest earned on investment	-	-	347	347	(347)
<b>Total other financing sources (uses)</b>	<b>1,981,000</b>	<b>1,790,038</b>	<b>218,473</b>	<b>2,008,511</b>	<b>(27,511)</b>
Revenues and other sources over (under) expenditures	\$ -	\$ (20,622)	\$ 53,684	\$ 33,062	\$ 33,062

**Bertie County, North Carolina**  
**Department of Commerce Rural Center Fund - Kelford**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2018**  
**Schedule 22**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 72,262	\$ 21,757	\$ 50,506	\$ 72,263	\$ 1
Tax refunds	-	-	1,052	1,052	1,052
<b>Total revenues</b>	<b>72,262</b>	<b>21,757</b>	<b>51,558</b>	<b>73,315</b>	<b>1,053</b>
<b>EXPENDITURES:</b>					
Construction	168,320	31,987	100,188	132,175	36,145
Engineering	29,400	21,757	7,643	29,400	-
<b>Total expenditures</b>	<b>197,720</b>	<b>53,744</b>	<b>107,831</b>	<b>161,575</b>	<b>36,145</b>
Revenues over (under) expenditures	(125,458)	(31,987)	(56,273)	(88,260)	37,198
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from Water	125,458	125,458	-	125,458	-
<b>Total other financing sources (uses)</b>	<b>125,458</b>	<b>125,458</b>	<b>-</b>	<b>125,458</b>	<b>-</b>
Revenues and other sources over (under) expenditures	\$ -	\$ 93,471	\$ (56,273)	\$ 37,198	\$ 37,198

**Bertie County, North Carolina**  
**Drinking Water State Revolving Loan Fund – Roxobel Merger**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2018**  
**Schedule 23**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Tax refunds	-	-	5,713	5,713	5,713
<b>Total revenues</b>	<b>500,000</b>	<b>-</b>	<b>5,713</b>	<b>5,713</b>	<b>(494,287)</b>
<b>EXPENDITURES:</b>					
Construction	1,432,439	23,162	1,038,309	1,061,471	370,968
Engineering	388,500	192,704	152,696	345,400	43,100
Acquisition	15,000	15,352	-	15,352	(352)
Legal	3,000	5,623	240	5,863	(2,863)
Miscellaneous	35,601	1,143	38,752	39,895	(4,294)
Contingency	101,820	-	-	-	101,820
<b>Total expenditures</b>	<b>1,976,360</b>	<b>237,984</b>	<b>1,229,997</b>	<b>1,467,981</b>	<b>508,379</b>
Revenues over (under) expenditures	(1,476,360)	(237,984)	(1,224,284)	(1,462,268)	14,092
<b>OTHER FINANCING SOURCES (USES)</b>					
NC DWSRR Loan	1,437,608	-	1,266,305	1,266,305	171,303
Transfer from Water	38,752	33,571	5,181	38,752	-
<b>Total other financing sources (uses)</b>	<b>1,476,360</b>	<b>33,571</b>	<b>1,271,486</b>	<b>1,305,057</b>	<b>171,303</b>
Revenues and other sources over (under) expenditures	\$ -	\$ (204,413)	\$ 47,202	\$ (157,211)	\$ (157,211)

**Bertie County, North Carolina**  
**Asset Inventory – Phase IV Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 24**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 88,800	\$ 53,950	\$ 15,259	\$ 69,209	\$ (19,591)
Total revenues	88,800	53,950	15,259	69,209	(19,591)
<b>EXPENDITURES:</b>					
Engineering	\$ 91,908	\$ 57,058	\$ 15,259	\$ 72,317	\$ 19,591
Administration	1,332	1,332	-	1,332	-
Total expenditures	93,240	58,390	15,259	73,649	19,591
Revenues over (under) expenditures	(4,440)	(4,440)	-	(4,440)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from Water	4,440	4,440	-	4,440	-
Total other financing sources (uses)	4,440	4,440	-	4,440	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -



**Bertie County, North Carolina**  
**Bertie Telephone Internal Service Fund**  
**Statement of Net Position**  
**June 30, 2018**  
**Schedule 25**

		2018
<b>ASSETS</b>		
Current assets:		
Accounts receivable (net):	\$	3,314
Total		3,314
Fixed assets (net)		100,984
Total assets		104,298
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities		596
Due to other funds		17,309
Total liabilities		17,905
 <b>NET ASSETS</b>		
Unrestricted		86,393
Total net position	\$	86,393

**Bertie County, North Carolina**  
**Bertie Telephone Internal Service Fund**  
**Schedule of Revenues and Expenditures –**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 26**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Operating revenues:			
User charges	\$ 72,000	\$ 63,330	\$ (8,670)
Total revenues	72,000	63,330	(8,670)
<b>Expenditures:</b>			
Operating:			
Telephone	56,000	38,936	17,064
Maintenance contracts	5,500	4,966	534
Capital outlay	2,000	-	2,000
Depreciation expense	8,500	-	8,500
Total expenditures	72,000	43,902	28,098
Revenues over (under) expenditures	\$ -	\$ 19,428	\$ 19,428
<b>Reconciliation from budgetary basis (modified accrual)</b>			
<b>to full accrual:</b>			
Depreciation		(12,234)	
Change in net position		\$ 7,194	

**Bertie County, North Carolina**  
**Bertie Telephone Internal Service Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 27**

		2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from users	\$	63,548
Cash paid for goods and services		(43,636)
Net cash provided (used) by operating activities		19,912
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Due to (from ) other funds		(19,912)
Net cash provided (used) by noncapital financing activities		(19,912)
<b>Net increase (decrease) in cash and cash equivalents</b>		-
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year		\$ -
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$	7,194
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		12,234
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		218
Increase (decrease) I accounts payable and accrued liabilities		266
Total adjustments		12,718
Net cash provided (used) by operating activities		\$ 19,912

**Bertie County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 28**

	Balance July 01, 2017	Additions	Deductions	Balance June 30, 2018
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 416	\$ 6,000	\$ -	\$ 6,416
Liabilities:				
Miscellaneous liabilities	\$ 416	\$ 6,000	\$ -	\$ 6,416
<b>Fines and Forfeitures</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 85,282	\$ 85,282	\$ -
Liabilities:				
Intergovernmental payable - Bertie County Board of Education	\$ -	\$ 85,282	\$ 85,282	\$ -
<b>Tax</b>				
Assets:				
Cash and cash equivalents	\$ 191	\$ 754,760	\$ 754,707	\$ 244
Liabilities:				
Intergovernmental payable	\$ 191	\$ 754,760	\$ 754,707	\$ 244
<b>Pest Management</b>				
Assets:				
Cash and cash equivalents	\$ 3,392	\$ 7,988	\$ 6,963	\$ 4,417
Liabilities:				
Miscellaneous liabilities	\$ 3,392	\$ 7,988	\$ 6,963	\$ 4,417
<b>Total - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 3,999	\$ 854,030	\$ 846,952	\$ 11,077
Liabilities:				
Miscellaneous liabilities	\$ 3,999	\$ 768,748	\$ 761,670	\$ 11,077

**Bertie County, North Carolina**  
**General Fund Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2018**  
**Schedule 29**

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections and Credits	Uncollected Balance June 30, 2018
2017 - 2018	\$ -	\$ 10,969,142	\$ 10,672,111	\$ 297,031
2016 - 2017	475,277	4,010	277,927	201,360
2015 - 2016	175,150	277	66,260	109,167
2014 - 2015	63,998	279	31,729	32,548
2013 - 2014	56,575	291	15,837	41,029
2012 - 2013	41,445	52	4,843	36,654
2011 - 2012	28,261	2	2,530	25,733
2010 - 2011	19,855	-	950	18,905
2009 - 2010	18,170	-	999	17,171
2008 - 2009	20,386	-	698	19,688
2007 - 2008	18,384	-	18,384	-
	<b>\$ 917,501</b>	<b>\$ 10,974,053</b>	<b>\$ 11,092,268</b>	<b>\$ 799,286</b>
Less: Allowance for uncollectible accounts:				
General Fund				117,457
Ad valorem taxes receivable - net:				
General Fund				<b>\$ 681,829</b>
<u>Reconciliation with revenues</u>				
Ad valorem taxes - General Fund				<b>\$ 11,213,686</b>
Reconciling items:				
Interest collected				(148,557)
Taxes written off				28,263
Discoveries and adjustments				(1,124)
<b>Total collections and credits</b>				<b>\$ 11,092,268</b>

**Bertie County, North Carolina**  
**County-Wide Levy Analysis of Current Tax Levy**  
**For the Fiscal Year Ended June 30, 2018**  
**Schedule 30**

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 1,319,207,349	0.0083	\$ 10,949,421	\$ 9,639,785	\$ 1,309,636
Total	1,319,207,349		10,949,421	9,639,785	1,309,636
Discoveries:					
Current year taxes	9,917,470	0.0083	82,315	81,709	606
Abatements taxed at current year's rate	(7,541,446)	0.0083	(62,594)	(51,970)	(10,624)
Total property valuation	\$ 1,321,583,373				
Net Levy			10,969,142	9,669,524	1,299,618
Current year's taxes collected			10,672,111	9,372,531	1,299,580
Uncollected taxes at June 30, 2018			\$ 297,031	\$ 296,993	\$ 38
Current levy collection percentage			97.29%	96.93%	100.00%

**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 Auditors' Report**

To the Board of Commissioners  
Bertie County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises Bertie County's basic financial statements, and have issued our report thereon dated May 20, 2019. Our audit includes a reference to other auditors who audited the financial statements of the Bertie County ABC Board, as described in our report on Bertie County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Bertie County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bertie 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 Bertie 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 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 material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bertie County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Jeff Bent". The signature is written in a cursive, flowing style.

Belhaven, North Carolina  
May 20, 2019



**Report On Compliance For Each Major Federal Program; Report on Internal Control  
Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation  
Act**

**Independent Auditor's Report**

To the Board of Commissioners  
Bertie County, North Carolina

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

We have audited Bertie County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Bertie County's major federal programs for the year ended June 30, 2018. Bertie 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 and State 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 Bertie 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 US *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 noncompliance 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 Bertie 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 Bertie County's compliance.

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

In our opinion, Bertie 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, 2018.

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

Management of Bertie 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 Bertie County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the 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 Bertie 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 significant deficiencies or material weaknesses. 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.



Belhaven, North Carolina  
May 20, 2019

## Bertie County, North Carolina Schedule of Findings and Questioned Costs For the Year Ended June 30, 2018

### Section I - Summary of Auditor's Results

#### Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant Deficiency(s) identified?

\_\_\_\_\_ Yes      X   None Reported

Noncompliance material to financial statements noted

\_\_\_\_\_ Yes      X   No

#### Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant Deficiency(s) identified?

\_\_\_\_\_ Yes      X   None Reported

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

Unmodified

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

\_\_\_\_\_ Yes      X   No

Identification of major federal programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Title XIX - Medicaid
10.760	Water and Waste Disposal Systems for Rural Communities
66.468	Drinking Water State Revolving Funds

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

\$ 750,000

Auditee qualified as low-risk Auditee?

\_\_\_\_\_ Yes      X   No




**Bertie County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

**Section II - Financial Statement Findings**

None reported

**Section III - Federal Award Findings and Questioned Costs**

None reported



**Bertie County, North Carolina  
Corrective Action Plan  
For the Year Ended June 30, 2018**

**Section II - Financial Statement Findings**

None reported

**Section III - Federal Award Findings and Questioned Costs**

None reported



**Bertie County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018**

**Findings:**

**17-01 Prior Period Adjustment - Bertie Telephone Fund**

Status: Corrected

**Bertie County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2018**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed –through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>SNAP Cluster:</u>					
State Administrative Matching Grants for					
Supplemental Nutrition Assistance Program	10.561	XXXX	\$ 340,708	\$ -	\$ 340,707
Fraud Administration	10.561	XXXX	7,872	-	7,872
Total SNAP			348,580	-	348,579
Total U.S. Dept. of Agriculture			348,580	-	348,579
<u>U.S. Dept. of Health and Human Services</u>					
<u>Administration on Aging and Adult Services</u>					
Passed-through Mid-East Commission:					
Council of Government					
Special Programs for the Aging					
Aging Cluster:					
Access Title III-B	93.044	XXXX	24,136	1,420	2,840
Congregate Nutrition:					
Title III-C1	93.045	XXXX	36,748	2,162	4,323
Home Delivered Meals					
Title III-C2	93.045	XXXX	17,814	1,048	2,096
Nutrition Services Incentive Program Supplement	93.053	XXXX	12,404	-	-
Social Services Block Grant	93.667	XXXX	15,292	437	1,748
Total Aging Cluster			106,394	5,067	11,007
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Foster Care and Adoption Cluster:					
Title IV-E Foster Care - CPS	93.658	XXXX	17,867	2,268	15,599
Title IV-E Foster Care/Off Trn	93.658	XXXX	30,100	-	30,100
Title IV-E Adoption/Off Trn	93.659	XXXX	30	-	30
Title IV-E Optional Adoption/Off Trn	93.659	XXXX	492	-	492
Total Foster Care and Adoption Cluster			48,489	2,268	46,221
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Childcare Development Fund – Administration	93.596	XXXX	62,253	-	-
Division of Child Development					
Child Care and Development Fund – Discretionary	93.575	XXXX	44,515	-	-
Child Care and Development Fund – Mandatory	93.596	XXXX	5,866	-	-
Total Child Care Fund Cluster			112,634	-	-
Temporary Assistance for Needy Families	93.558	XXXX	4,778	-	-
Total Subsidized Child Care Cluster			117,412	-	-

**Bertie County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2018**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
Division of Social Services:					
Temporary Assistance for Needy Families - Work First Services	93.558	XXXX	160,679	-	133,175
Temporary Assistance for Needy Families - Work First	93.558	XXXX	31,088	-	41,510
Low-Income Home Energy Assistance Block Grant:					
Low-Income Home Energy Assistance (LIHEAP)	93.568	XXXX	133,820	-	-
Administration	93.568	XXXX	21,886	-	-
Energy Assistance Payments	93.568	XXXX	135,200	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	XXXX	3,429	-	1,143
Social Services Block Grant – Other Service and Training	93.667	XXXX	185,529	-	61,844
Social Services Block Grant – In Home Service Fund	93.667	XXXX	4,547	-	650
Social Services Block Grant – Adult Protective Services	93.667	XXXX	9,702	-	3,234
Social Services Block Grant – Adult Day Care Over 60	93.667	XXXX	1,203	-	172
Chafee Foster Care Independence Program	93.674	XXXX	498	125	-
Child Support Enforcement - IV-D Administration	93.563	XXXX	413,027	-	212,772
Child Support Enforcement - IV-D Offset Fees ESC	93.563	XXXX	25	(5)	17
Child Support Enforcement - IV-D Offset Fees	93.563	XXXX	1,118	-	577
			1,101,751	120	455,094
<u>Division of Facility Services</u>					
Office of Emergency Medical Services					
Division of Social Services:					
Administration:					
Children's Health Insurance Program	93.767	XXXX	26,938	8	-
Adult Care Home Case Management	93.778	XXXX	30,520	9,071	21,451
Medical Assistance Program Transportation Administration	93.778	XXXX	48,107	-	48,107
State County Special Assistance	93.778	XXXX	41,742	-	13,933
Medical Assistance Program	93.778	XXXX	868,220	-	293,284
			1,015,527	9,079	376,775
Office of Administration for Community Living					
Medicare Improvements for Patients and Providers	93.071	XXXX	2,146	-	-
			2,391,719	16,534	889,097
<u>U.S. Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	XXXX	38,642	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	XXXX	21,561	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	XXXX	166,502	-	-
Total Dept of Homeland Security			226,705	-	-
<u>U.S. Department of Agriculture</u>					
Passed-through the NC Rural Development					
Water and Waste Disposal Systems for Rural Communities	10.760	XXXX	1,262,141	-	-
<u>U.S. Environmental Protection Agency</u>					
Passed-through the NC Dept of Environmental Equality					
Drinking Water State Revolving Funds					
H-AIA-D-2016-00000036-2347-536919	66.468	XXXX	15,259	-	-
H-AIA-D-2017-00000036-2347-536919	66.468	XXXX	62,653	-	-
H-LRX-F-2016-00001912-6900-536704	68.468	XXXX	1,132,878	-	-
H-LRX-R-2016-00001897-6900-536704	66.468	XXXX	1,266,305	-	-
Total Environmental Protection Agency			2,477,095	-	-
Total Federal Awards			6,706,240	16,534	1,237,676



**Bertie County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2018**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>State Awards:</b>					
<u>N.C. Dept. of Environment and Natural Resources</u>					
Soil and Water Conservation – S&W Conservation		XXXX	-	23,300	-
Coastal Zone Management Administration Awards	11.419	XXXX	-	400	-
Total Dept. of Environment and Natural Resources			-	23,700	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State Foster Care Home		XXXX	-	6,635	6,634
SFHF Maximization		XXXX	-	223	223
Foster Care At Risk Maximization		XXXX	-	2,444	462
AFDC/TANF Incent/Program Integrity		XXXX	-	43	-
State Child Welfare/CPS		XXXX	-	3,946	-
Total Division of Social Services			-	13,291	7,319
Division of Aging and Adult Services:					
Passed through Mid-East Commission					
Council of Government					
Access - State Funds		XXXX	-	4,946	550
Home Delivered Meals - State Funds		XXXX	-	14,410	1,601
In-Home Services - State Funds		XXXX	-	116,353	12,928
Total Division of Aging and Adult Services			-	135,709	15,079
Total Dept. of Health and Human Services			-	149,000	22,398
<u>N.C. Dept. of Administration</u>					
Veterans Service		XXXX	-	2,000	-
<u>NC Dept. of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime Prevention Program		XXXX	-	93,232	-
<u>NC Dept. of Transportation</u>					
Elderly and Disabled Transportation Assistance (DOT-16CL)		XXXX	-	54,763	-
Work First/Transitional Employment (DOT-16CL)		XXXX	-	7,432	-
Rural General Public Transportation(DOT-16CL)		XXXX	-	40,559	-
Total N.C. Dept. of Transportation			-	102,754	-
<u>NC Dept of Insurance</u>					
SHIIP Grant		XXXX	-	1,582	-
<u>NC Rural Economic Development Center</u>					
Water and Sewer Supplemental Grants Program		XXXX	-	50,506	-
<b>Total State Awards</b>			-	<b>422,774</b>	<b>22,398</b>
<b>Total Federal and State Awards</b>			<b>\$ 6,706,240</b>	<b>\$ 439,308</b>	<b>\$ 1,260,074</b>

# Bertie County, North Carolina

## Schedule of Expenditures of Federal and State Awards

### For the Fiscal Year Ended June 30, 2018

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1 Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Bertie County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. 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 Bertie County, it is not intended to and does not present the financial position, changes in net position or cash flows of Bertie County.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Bertie County has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

3 Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes:

Program Title	CFDA Number	Pass-through Grantor's Number	Federal Expenditures	State Expenditures
Subsidized Child Care and Foster Care and Adoption	XXXX	XXXX	\$ 117,412	\$ -

4 Loans Outstanding

Bertie County had the following loan balances outstanding at June 30, 2018 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2018 consist of:

Program Title	CFDA Number	Pass-through Grantor's Number	Federal Expenditures	State Expenditures
Water and Waste Disposal Systems for Rural Communities	10.760	XXXX	\$ 1,714,179	\$ -
Drinking Water State Revolving Loan Fund	68.468	XXXX	1,132,878	-
Drinking Water State Revolving Loan Fund	66.468	XXXX	1,266,305	-