

BERTIE COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2021

BOARD OF COMMISSIONERS

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John Trent, Vice Chair
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Ronald Roberson
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Clerk to the Board
LaShonda Cartwright

Finance Officer
William Roberson

Register of Deeds
Annie F. Wilson

Tax Administrator
Jody Rhea

Sheriff
John Holley

BERTIE COUNTY
TABLE OF CONTENTS
June 30, 2021

| <u>Exhibit</u> | | <u>Page</u> |
|----------------|---|-------------|
| | Financial Section | |
| | Independent Auditors' Report | 1 - 3 |
| | Management's Discussion and Analysis | 4 - 21 |
| | Basic Financial Statements: | |
| | Government-Wide Financial Statements: | |
| 1 | Statement of Net Position | 22 |
| 2 | Statement of Activities | 23 |
| | Fund Financial Statements: | |
| 3 | Balance Sheet-Governmental Funds and | 24 |
| 3 | Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 25 |
| 4 | Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 26 |
| 4 | Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - to the Statement of Activities | 27 |
| 5 | Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- General Fund | 28 |
| 6 | Statement of Net Position - Proprietary Funds | 29 |
| 7 | Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds | 30 |
| 8 | Statement of Cash Flows - Proprietary Funds | 31 |
| 9 | Statement of Fiduciary Net Position - Custodial Fund | 32 |
| 10 | Statement of Changes in Fiduciary Net Position - Custodial Fund | 33 |
| | Notes to the Financial Statements | 34 - 62 |

Required Supplemental Financial Data:

| | | |
|---|---|---------|
| Sch 1 | Local Governmental Employees' Retirement System - Schedule of County's Proportionate Share of the Net Pension Liability (Asset) | 63 |
| Sch 2 | Local Governmental Employees' Retirement System - Schedule of the County's Contributions | 64 |
| Sch 3 | Register of Deeds Supplemental Pension Fund - Schedule of County's Proportionate Share of the Net Pension Liability (Asset) | 65 |
| Sch 4 | Register of Deeds Supplemental Pension Fund - Schedule of the County's Contributions | 66 |
| Sch 5 | Law Enforcement Officer's Special Separation Allowance - Schedule of Changes in Total Pension Liability | 67 |
| Sch 6 | Law Enforcement Officer's Special Separation Allowance - Schedule of Total Pension Liability as a Percentage of Covered Payroll | 68 |
| Sch 7 | Other Postemployment Benefits - Schedule of Changes in the Net OPEB Liability and Related Ratios | 69 |
| Combining and Individual Fund Statements and Schedules: | | |
| Sch 8 | Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual | 70 - 77 |
| Sch 9 | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Tax Revaluation Fund - Budget and Actual | 78 |
| Sch 10 | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Reserve - Budget and Actual | 79 |
| Sch 11 | Schedule of Revenues, Expenditures, and Changes in Fund Balance - SLFRF/ARP Project Fund - Budget and Actual | 80 |
| Sch 12 | Combining Balance Sheet - Nonmajor Governmental Funds | 81 - 82 |
| Sch 13 | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds | 83 - 84 |
| Sch 14 | Custodial Fund | 85 |

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:

| | | |
|--------|---------------------------------------|----|
| Sch 15 | Emergency Telephone System Fund | 86 |
| Sch 16 | Coronavirus Relief Fund | 87 |
| Sch 17 | Custodial Fund | 88 |
| Sch 18 | Library/Co-Op Extension Building Fund | 89 |
| Sch 19 | Library/Co-Op Construction Fund | 90 |
| Sch 20 | EMS Building Fund | 91 |
| Sch 21 | Disaster Recovery 17 Project Fund | 92 |

Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP):

| | | |
|--------|---|---------|
| Sch 22 | Regional Water District Fund | 93 - 94 |
| Sch 23 | Drinking Water State Revolving Loan Fund - SCADA | 95 |
| Sch 24 | USDA Rural Development Fund | 96 |
| Sch 25 | Department of Commerce Rural Center Fund - Kelford | 97 |
| Sch 26 | Drinking Water State Revolving Loan Fund - Roxobel Merger | 98 |
| Sch 27 | Asset Inventory - Phase II Fund | 99 |
| Sch 28 | Asset Inventory - Phase III Fund | 100 |
| Sch 29 | Asset Inventory - Phase IV Fund | 101 |
| Sch 30 | Water Access - Phase I Fund | 102 |

| | | |
|--------|---|-----|
| Sch 31 | Bertie Telephone Internal Service Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) | 103 |
|--------|---|-----|

Other Schedules

| | | |
|--------|--|-----|
| Sch 32 | General Fund Schedule of Ad Valorem Taxes Receivable | 104 |
| Sch 33 | County-Wide Levy Analysis of Current Tax Levy | 105 |
| Sch 34 | Schedule of Ten Largest Taxpayers | 106 |

Compliance

| | |
|---|-----------|
| Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> | 107 - 108 |
| 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 | 109 - 111 |
| Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act | 112 - 113 |
| Schedule of Findings and Questioned Costs | 114 - 118 |
| Corrective Action Plan | 119 - 120 |
| Summary Schedule of Prior Year Audit Findings | 121 |
| Schedule of Expenditures of Federal and State Awards | 122 - 124 |

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

Independent Auditor's 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 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, 2021, 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. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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

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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 opinions, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina as of June 30, 2021, 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, the Other Postemployment Benefits Schedules of Changes in the Net OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the *State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, 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 November 19, 2021 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.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
November 19, 2021

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, 2021.

Financial Highlights

- The NC Local Government Commission examines audit reports for each unit of local government and then publishes the available fund balance for each county and municipality.
- In FY 2020, the NC Local Government Commission reported Bertie County's fund balance available for appropriation as \$278,713 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, 2021 is \$1,614,064 which is an increase of \$1,335,351 or approximately 479 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 6.36 percent of total general fund expenditures for the fiscal year ended June 30, 2021.
- 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.
- While Bertie County's available fund for appropriation meets neither the 8 percent recommended by the LGC nor the 10 percent required by the local policy, great strides have been made to begin rebuilding available fund balance, hence the increase of approximately 479 percent compared to last fiscal year.
- 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 \$15,956,418 (*net position*), as reported in Exhibit 1.
- The government's total net position increased by \$2,627,530 primarily due to the governmental activities. The figure reflects the difference of the governmental funds' increase of \$2,989,948 and the business-type activities' decrease of \$362,418 as indicated in Figure 2.
- As of the close of the current fiscal year, Bertie County's governmental funds reported combined ending fund balances of \$6,935,852 an increase of \$2,451,549 in comparison with

the prior year. Approximately 79.47 percent of this total amount or \$5,511,910 is restricted or non-spendable by statute for stabilization purposes as reflected in Exhibit 3.

- The combined ending fund balances in governmental funds of \$6,935,852 noted above, and the reported increase of \$2,451,549 is primarily attributable to the Major Fund's increase of \$2,506,959.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$242,389, or 0.96 percent of total general fund expenditures of \$25,378,655 for the fiscal year, while total fund balance for General Funds represents 21.26 percent of that same amount.
- 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 a separate delineation of "Subsequent year expenditures" for assigned fund balance.
- In the adopted budget for the General Fund in FY 2019-2020, there was a fund balance appropriation of \$1,903,050. In the final revised budget for the fiscal year ended June 30, 2020, a net change in fund balance is reflected as a decrease of \$756,811.
- In the adopted budget for the General Fund in FY 2020-2021, there was no appropriation of fund balance. In the final revised budget for the fiscal year ended June 30, 2021, a net change in fund balance is reflected as an increase of \$1,086,573 as shown in Exhibit 5.
- In the adopted budget for the General Fund in FY 2021-2022, there was no appropriation fund balance.
- Exhibit 3 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 5.
- The current year's increase of \$1,086,573 in fund balance is attributable to receipt of reimbursements from various sources for capital projects; the use of Coronavirus Relief Funds to cover a portion of salaries for Emergency Medical Services as allowed by the CARES Act; a decrease in expenditures for the General Fund budget; and no appropriation of fund balance to balance the General Fund budget.
- The Coronavirus pandemic, which we began experiencing in March 2020, required expending funds to respond effectively and mitigate risks of COVID-19. Many of these expenses are FEMA reimbursable; however, all reimbursements were not received by June 30, 2020.

Bertie County General Fund Net Changes in Fund Balance (using Exhibit 5 historical data) and revaluation years are highlighted.

| Fiscal Year | Net Change | Fund balance (Ending June 30) |
|--------------------|-------------------|--|
| 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 |
| 2018-2019 | \$ (1,502,496) | \$ 4,906,564 |
| 2019-2020 | \$ (756,811) | \$ 4,149,753 |
| 2020-2021 | \$1,086,573 | \$ 5,236,326 |

- The fiscal year ended June 30, 2020 reflects a total fund balance for the General Fund of \$4,149,753 as noted in Exhibit 5 on the Statement of Revenues, Expenditures, and Changes in Fund Balance which is a decrease \$756,811 from the beginning balance on July 1, 2019.
- The fiscal year ended June 30, 2021 reflects a total fund balance for the General Fund of \$5,236,326 as noted in Exhibit 5 on the Statement of Revenues, Expenditures, and Changes in Fund Balance which is an increase of \$1,086,573 from the beginning balance on July 1, 2020.
- 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, 2021 is \$61,625,057. Long-term debt outstanding for Bertie County for the fiscal year ended June 30, 2020 was reported as \$62,272,742. 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.
- 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.
- Financial reporting for the fiscal year ended June 30, 2021 continues to reflect 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.
- For the fiscal year ended June 30, 2020 the Net OPEB Obligation for the County was \$21,461,181.
- In the fiscal year ending June 30, 2021, 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 \$338,563. The budgeted amount for retiree health insurance in FY 2021-2022 is

\$400,000 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 37. For the fiscal year ended June 30, 2021 the Net OPEB Obligation for the County is \$22,335,760, an increase of \$874,579 from the prior year.
- Employees hired after July 1, 2016 are not 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 obligations in the amount of \$242,400 per year.
- Tax collection rate was 98.11 percent for FY 2020-2021.

TAX INFORMATION

General Information.

| | FISCAL YEAR ENDED JUNE 30 | | | | | |
|---------------------------------------|---------------------------|-----------------|-----------------|-----------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Assessed Valuation: | | | | | | |
| Assessment Ratio ¹ | 100% | 100% | 100% | 100% | 100% | 100% |
| Real Property | \$916,963,491 | \$989,446,045 | \$952,015,343 | \$935,148,152 | 1,000,645,250 | 1,000,000,784 |
| Personal Property | 311,579,579 | 261,882,753 | 327,797,144 | 326,085,402 | 323,739,810 | 341,877,404 |
| Public Service Companies ² | 45,567,048 | 59,784,401 | 60,349,819 | 60,349,819 | 58,000,000 | 57,867,415 |
| Total Assessed Valuation | 1,274,110,118 | 1,311,113,199 | 1,340,162,306 | 1,321,583,373 | 1,382,385,051 | 1,399,746,603 |
| at Rate per \$100 | 0.84 | 0.84 | 0.83 | 0.83 | .83 | .865 |
| Levy ³ | \$10,702,524.99 | \$11,013,350.88 | \$11,123,213.99 | \$10,969,142.00 | 11,473,795.92 | 12,107,808.12 |

¹Percentage of appraised value has been established by statute.

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

³Includes discoveries, releases and abatements.

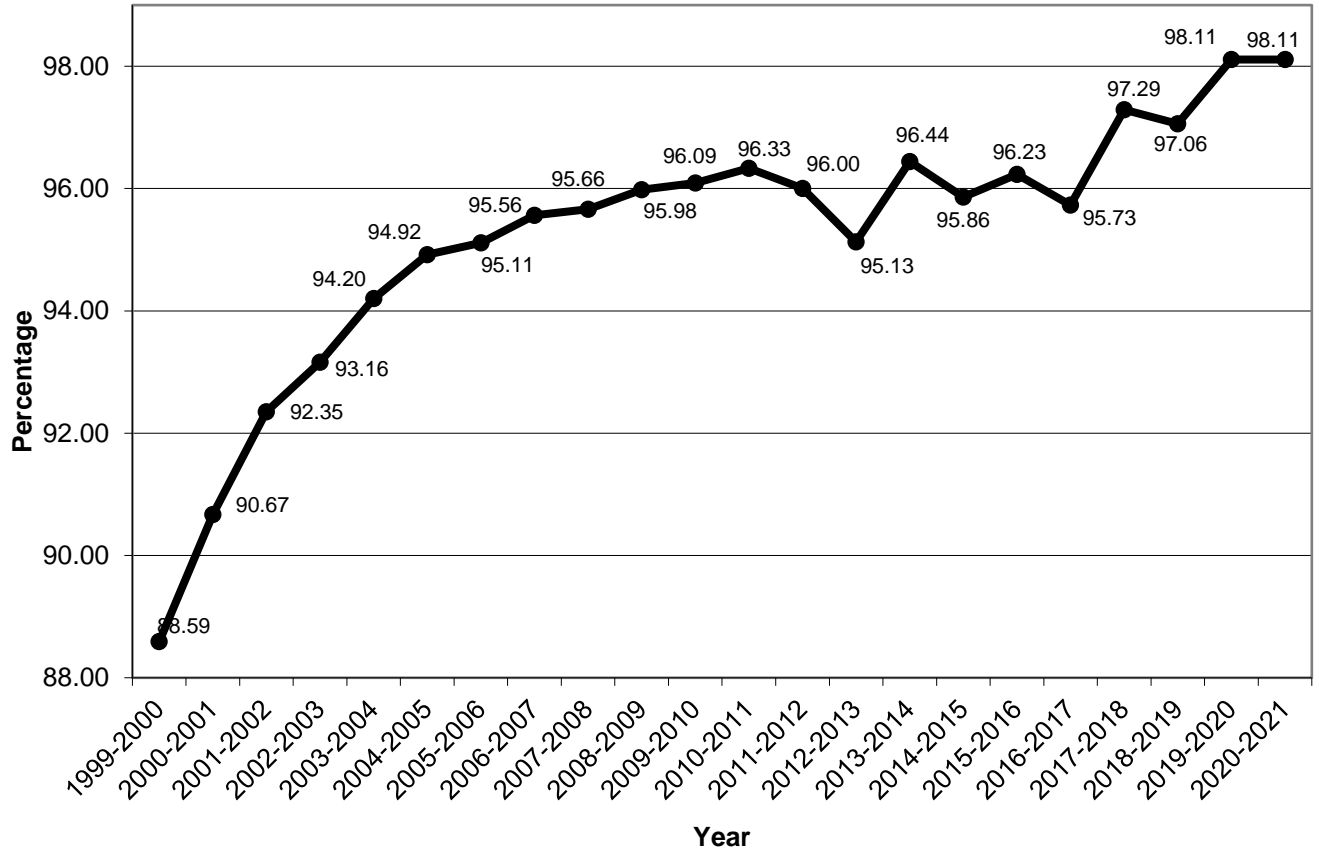
Tax Collections.

| FISCAL YEAR ENDED JUNE 30 | PRIOR YEARS' LEVIES COLLECTED | CURRENT YEAR'S LEVY COLLECTED | PERCENTAGE OF CURRENT YEAR' 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 | 96.44 |
| 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 |
| 2019 | 362,383 | 10,596,374 | 97.06 |
| 2020 | 321,374 | 11,239,202 | 98.11 |

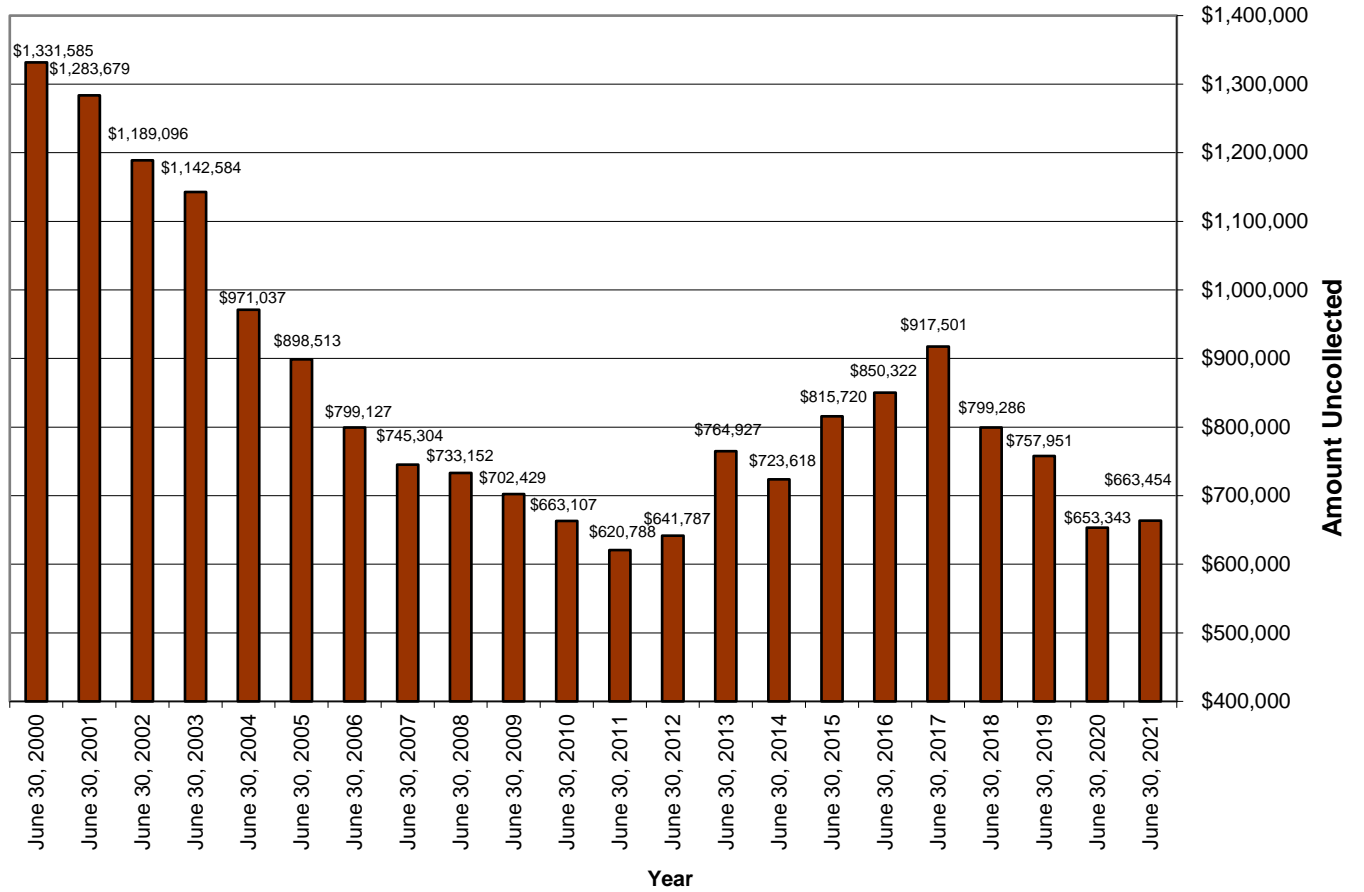
Ten Largest Taxpayers for the Fiscal Year Ended June 30, 2020.

| Name | Type of Enterprise | Assessed Valuation | Tax Levy |
|------------------------------|-------------------------|--------------------|--------------|
| Perdue Foods LLC | Poultry Processing | \$50,512,721 | \$436,934.80 |
| Roseburg Resources Co | Timberland Management | 23,238,198 | 201,010.30 |
| Weyerhaeuser Company | Timberland Management | 20,845,336 | 180,312.06 |
| Rial Corporation | Land Development | 18,625,013 | 161,106.27 |
| Avoca LLC | Botanical Extraction | 18,077,846 | 156,373.29 |
| Republic Services of NC LLC | Waste Industry/Landfill | 13,505,436 | 116,821.96 |
| Valley Proteins Inc. | Rendering/Recycling | 6,980,266 | 60,379.27 |
| Avoca Tech. of Delaware Inc. | Botanical Extraction | 3,940,507 | 34,085.37 |
| Innsbrook Golf & Marina LLC | Land Development | 3,863,745 | 33,421.38 |
| Select Recycling W&S Inc. | Scrap Metal Recycling | 3,513,074 | 30,388.07 |

Current Year Tax Collection Rate - All Property



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

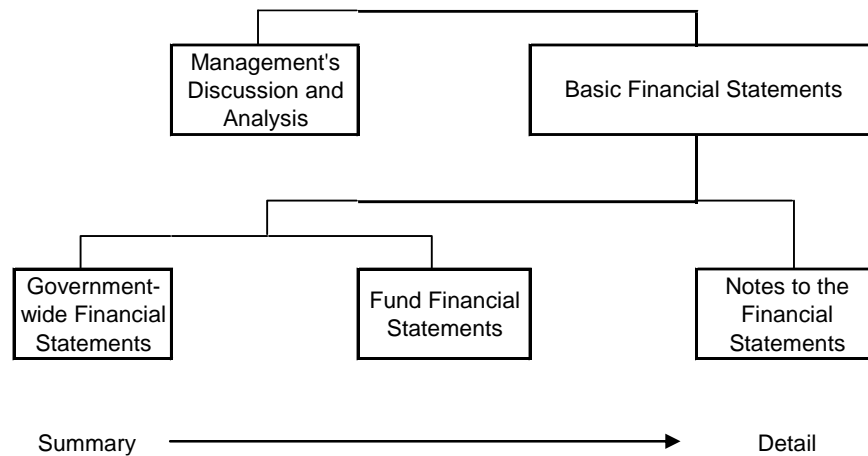


Overview of the Financial Statements

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 9) 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 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 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 23 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 51 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 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 \$15,956,418 as of June 30, 2021. The County's net position increased by \$2,627,530 for the fiscal year ended June 30, 2021. One of the largest portions of the County's net position (\$30,775,782) 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 (\$5,671,585) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,490,949 is unrestricted.

Bertie County's Net Position

Figure 2

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|----------------------------|--------------|-----------------------------|---------------|---------------|---------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Current and other assets | \$ 8,344,482 | \$ 9,689,427 | \$ 1,581,164 | \$ 1,714,063 | \$ 9,925,646 | \$ 11,403,490 |
| Capital assets | 31,960,379 | 33,326,673 | 30,681,980 | 29,782,831 | 62,642,359 | 63,109,504 |
| Total assets | 40,304,861 | 43,016,100 | 32,263,144 | 31,496,894 | 72,568,005 | 74,512,994 |
| Total deferred outflows of resources | 5,579,982 | 5,518,970 | 297,698 | 279,166 | 5,877,680 | 5,798,136 |
| Current and other liabilities | 1,617,868 | 2,865,334 | 397,755 | 1,127,714 | 2,015,623 | 3,993,048 |
| Long-term liabilities outstanding | 47,090,253 | 45,326,385 | 15,182,489 | 14,024,636 | 62,272,742 | 59,351,021 |
| Total liabilities | 48,708,121 | 48,191,719 | 15,580,244 | 15,152,350 | 64,288,365 | 63,344,069 |
| Total deferred inflows of resources | 799,104 | 959,547 | 45,566 | 51,096 | 844,670 | 1,010,643 |
| Net Position: | | | | | | |
| Net investment | | | | | | |
| in capital assets | 11,275,424 | 13,695,812 | 17,020,463 | 17,079,970 | 28,295,887 | 30,775,782 |
| Restricted | 4,165,497 | 5,671,585 | - | - | 4,165,497 | 5,671,585 |
| Unrestricted | (19,063,303) | (19,983,593) | (85,431) | (507,356) | (19,148,734) | (20,490,949) |
| Total net position | \$ (3,622,382) | \$ (616,196) | \$ 16,935,032 | \$ 16,572,614 | \$ 13,312,650 | \$ 15,956,418 |

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, state funding for aging, and other miscellaneous revenues and refunds.
- Savings were realized in several departments due to lapsed salaries, as well as unspent supplies, utilities and equipment appropriations.

Bertie County Changes in

Net Position

Figure 3

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 6,666,669 | \$ 7,391,234 | \$ 2,421,661 | \$ 2,760,941 | \$ 9,088,330 | \$ 10,152,175 |
| Operating grants and contributions | 5,238,096 | 8,011,399 | - | - | 5,238,096 | 8,011,399 |
| Capital grants and contributions | - | - | 369,525 | 169,753 | 369,525 | 169,753 |
| General revenues: | | | | | | |
| Property taxes | 11,497,139 | 12,359,907 | - | - | 11,497,139 | 12,359,907 |
| Other taxes | 3,712,272 | 4,035,933 | - | - | 3,712,272 | 4,035,933 |
| Investment earnings | 752,347 | 3,207 | 6,780 | 1,028 | 759,127 | 4,235 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | 27,866,523 | 31,801,680 | 2,797,966 | 2,931,722 | 30,664,489 | 34,733,402 |
| Expenses: | | | | | | |
| General government | 3,490,620 | 3,535,172 | - | - | 3,490,620 | 3,535,172 |
| Public Safety | 9,828,024 | 10,605,191 | - | - | 9,828,024 | 10,605,191 |
| Environmental protection | 543,039 | 616,931 | - | - | 543,039 | 616,931 |
| Economic and physical development | 2,386,294 | 2,778,344 | - | - | 2,386,294 | 2,778,344 |
| Human services | 4,874,960 | 5,492,878 | - | - | 4,874,960 | 5,492,878 |
| Education | 3,680,568 | 3,840,120 | - | - | 3,680,568 | 3,840,120 |
| Special appropriations | 693,272 | 600,314 | - | - | 693,272 | 600,314 |
| Cultural and recreational | 443,761 | 390,583 | - | - | 443,761 | 390,583 |
| Interest and fees on long-term debt | 1,034,697 | 952,199 | - | - | 1,034,697 | 952,199 |
| Water districts | - | - | 3,144,914 | 3,294,140 | 3,144,914 | 3,294,140 |
| Total expenses | 26,975,235 | 28,811,732 | 3,144,914 | 3,294,140 | 30,120,149 | 32,105,872 |
| Increase (decrease) in net position | 891,288 | 2,989,948 | (346,948) | (362,418) | 544,340 | 2,627,530 |
| Net position, beginning, as previously reported | (4,513,670) | (3,622,382) | 17,281,980 | 16,935,032 | 12,768,310 | 13,312,650 |
| Prior period restatement - change in accounting principle | - | 16,238 | - | - | - | 16,238 |
| Net position, beginning, Restated | (4,513,670) | (3,606,144) | 17,281,980 | 16,935,032 | 12,768,310 | 13,328,888 |
| Net position, June 30, ending | \$ (3,622,382) | \$ (616,196) | \$ 16,935,032 | \$ 16,572,614 | \$ 13,312,650 | \$ 15,956,418 |

Governmental activities. Governmental activities increased the County's net position by \$2,989,948. Key elements of this increase are as follows:

- Revenues for governmental activities increased due to increases in charges for services, operating grants and contributions, and taxes.
- Expenses for governmental activities increased by \$1,836,497 primarily due to increases in public safety.

Business-type activities: Business-type activities decreased Bertie County's net position by \$362,418. Key elements of this decrease are as follows:

- A decrease in water sales contributed to the overall decrease in net position for the water system.
- The Governor's moratorium on utility shut-offs greatly contributed to the loss of water sales and collection of fees.

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 \$242,389, while total fund balance in the General Fund reached \$5,395,998. 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 (2020) was \$278,713.
- Bertie County's available fund balance for the fiscal year ended June 30, 2021 is \$1,614,064 which is an increase of \$1,335,351 or 479 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 6.36 percent of total General Fund expenditures for the fiscal year ended June 30, 2021.

The County currently has an unassigned fund balance of 0.96 percent of General Fund expenditures, while total fund balance represents 21.26 percent of that same amount (\$25,378,655).

At June 30, 2021, the governmental funds of Bertie County reported a combined fund balance of \$6,935,852, a 64.65% increase over last year.

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.

Statutory Calculation of Fund Balance Available for Appropriation At June 30

Restricted - Stabilization by State Statute

| | <u>6/30/2011 and Later</u> | <u>Without Including Restricted Cash</u> |
|---|----------------------------|--|
| Calculation | Total | |
| Fund Balance Available for Appropriation - G.S. §159-8(a) | | |
| Unrestricted Cash and Investments | \$ 2,653,797 | \$ 2,653,797 |
| Restricted cash and investments (This would normally include Powell Bill, Bond Proceeds, consolidated funds such as capital reserve funds or tax revaluation funds) | 160,138 | |
| Liabilities excluding those to be paid from restricted cash | 1,160,071 | 1,160,071 |
| 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 ... | 39,800 | 39,800 |
| ✓ Fund Balance Available for Appropriation | \$ 1,614,064 | \$ 1,453,926 |
| Total Fund Balance (From Audited Financial Statements) | 5,395,998 | |
| Total Restricted by State Statute..... | \$ 3,781,934 | |
| Restricted by State Statute Presented on Financial Statements | | |
| Less Non Spendable - Inventory | | |
| Non Spendable - Prepays | --- | |
| Other Non Spendable amounts | --- | |
| ✓ Restricted - Stabilization by State Statute (LGC calculation) | \$ 3,781,934 | |
| Restricted - Stabilization by State Statute (From Audited Financial Sta | \$ 3,781,934 | |
| Restricted - Stabilization by State Statute Correctly Reported. | | |

| <u>Analysis</u> | <u>Total</u> | <u>Without Including Consolidated Fund:</u> |
|--|---------------|---|
| Expenditures - General Fund | | |
| Total Expenditures - General Fund | \$ 25,378,655 | \$ 25,378,655 |
| Adjustments | | |
| Transfers Out | 172,500 | 172,500 |
| Issuance of Capital Leases & Installment Purchases | --- | --- |
| Total Expenditures (As Adjusted) | \$ 25,551,155 | \$ 25,551,155 |
| ✓ Fund Balance Available as % of Expenditures | 6.32 % | 5.69 % |

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: |
| <i>GS ADAMS</i> | Nov 30, 2021 |

Proprietary Funds. Bertie County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. There is a deficit of \$507,356 for the unrestricted net position of the Water districts. There was a decrease in net position of \$362,418. 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, 2021, totals \$63,109,504 (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 | |
|----------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Land | \$ 1,928,490 | \$ 1,928,490 | \$ 129,994 | \$ 129,994 | \$ 2,058,484 | \$ 2,058,484 |
| Building and system | 23,522,127 | 23,633,002 | 27,209,565 | 29,652,837 | 50,731,692 | 53,285,839 |
| Improvements | 892,678 | 817,106 | - | - | 892,678 | 817,106 |
| Machinery and equipment | 1,554,092 | 1,516,896 | - | - | - | - |
| Vehicles and motorized equipment | 1,006,979 | 853,900 | - | - | 1,006,979 | 853,900 |
| Construction in progress | 3,056,013 | 4,577,279 | 3,342,421 | - | 6,398,434 | 4,577,279 |
| Total | \$ 31,960,379 | \$ 33,326,673 | \$ 30,681,980 | \$ 29,782,831 | \$ 62,642,359 | \$ 63,109,504 |

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

Long-term Debt. As of June 30, 2021, Bertie County had total debt outstanding of \$61,625,057.

Bertie County's Outstanding Debt
Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Limited obligation bonds | \$ 18,450,000 | \$ 19,205,000 | \$ 8,680,000 | \$ 9,115,000 | \$ 27,130,000 | \$ 28,320,000 |
| Installment Purchases | 2,166,915 | 3,539,808 | 2,406,861 | 2,519,472 | 4,573,776 | 6,059,280 |
| Bond anticipation note | - | - | - | - | - | - |
| Revenue bond | - | - | 1,616,000 | 1,639,179 | 1,616,000 | 1,639,179 |
| Original issue discount | - | - | (33,255) | (35,421) | (33,255) | (35,421) |
| Original issue premium | - | - | 397,384 | 423,287 | 397,384 | 423,287 |
| Compensated absences | 427,893 | 419,003 | 20,340 | 25,696 | 448,233 | 444,699 |
| Net pension obligation | 675,011 | 500,459 | - | - | 675,011 | 500,459 |
| Net pension liability | 4,213,219 | 3,267,540 | 268,929 | 207,605 | 4,482,148 | 3,475,145 |
| Net OPEB liability | 20,995,614 | 20,173,510 | 1,340,146 | 1,287,671 | 22,335,760 | 21,461,181 |
| Total | \$ 46,928,652 | \$ 47,105,320 | \$ 14,696,405 | \$ 15,182,489 | \$ 61,625,057 | \$ 62,287,809 |

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 \$98,280,666.

Budget overview for the Fiscal Year Ending June 30, 2021

Governmental Activities – and personnel related costs

| | |
|--|---------------------|
| FY 2020-2021 County employee payroll: | \$8,575,230 |
| Health insurance coverage for employees: | \$1,093,073 |
| Health insurance coverage for retirees: | \$ 338,563 |
| Contribution (OPEB) for future retiree health insurance: | \$ 242,400 |
| Contribution for NC Local Government Employee Retirement System: | \$ 826,957 |
| Contributions for NC 401k for law enforcement and all other staff: | <u>\$ 265,665</u> |
| Total | \$11,341,888 |

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, 2021, the County budgeted for 224 positions. Much of this financial report focuses on long term liabilities and unfunded OPEB liability based on actuarial assumptions which are now calculated at \$22,335,760 using GASB 74 and 75. In the fiscal year ended June 30, 2020 the OPEB liability was estimated at \$21,461,181. Most of the staffing expansion experienced since FY 2012-2013 is directly related to public safety functions, both law enforcement and emergency services.

Business – type Activities:

Bertie County’s Regional Water System operating revenues for the fiscal year ended June 30, 2021 total \$2,737,204 or \$315,600 more than the prior year.

Expenditures for the Regional Water System are reported as \$2,845,864 on Exhibit 7. The operating income loss of \$108,660 for the fiscal year ended June 30, 2021 represents a decrease of \$182,174 as compared with the operating loss of \$290,834 for the fiscal year ended June 30, 2020.

The water rates for residential, commercial and institutional customers in the county increased on July 1, 2021 for all four water districts. Prior to July 1, 2021, the water rate structure was last amended on June 30, 2016. The table below shows the latest amendments of water rates effective July 1, 2021.

| | 2016 | 2021 |
|--------------------|----------------------|------------------------|
| Residential | | |
| Flat Rate | \$15.50 | \$16.50 |
| Uniform Rate | \$4.50/1,000 gallons | \$5.50/1,000 gallons |
| | | |
| Commercial | | |
| Flat Rate | \$27.00 | \$30.00 |
| Uniform Rate | \$4.75/1,000 gallons | \$6.00/1,000 gallons |
| | | |
| 2" Meter | | |
| Flat Rate | \$117.35 | \$120 |
| Uniform Rate | \$4.75/1,000 gallons | \$5.50/1,000 gallons |
| | | |
| Municipal | | |
| Flat Rate | \$15.50 | \$16.50 |
| Uniform Rate | \$4.50/1,000 gallons | \$5.50/1,000 gallons |
| | | |
| Industrial | | |
| Flat Rate | \$469.90 | \$500.00 |
| Uniform Rate | \$4.75/1,000 gallons | \$6.00/\$1,000 gallons |
| | | |
| Institution | | |
| Flat Rate | \$5,301.66 | \$6,000.00 |
| Uniform Rate | \$7.23/1,000 gallons | \$9.00/1,000 gallons |

These water rate increases were necessary to cover increasing costs of supplies and water production and improvements to the regional water system.

Requests for Information

This report is designed to provide an overview of the County’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Bertie County, PO Box 530, Windsor, NC 27983.

BASIC FINANCIAL STATEMENTS

Bertie County, North Carolina
Statement of Net Position
June 30, 2021

| | Primary Government | | | Component Units |
|--|------------------------------------|-------------------------------------|----------------------|------------------------------------|
| | Governmental Activities | Business-type Activities | Total | Bertie County ABC Board |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,860,574 | \$ 1,118,490 | \$ 3,979,064 | \$ 43,385 |
| Receivables, (net) | 4,501,790 | 297,330 | 4,799,120 | - |
| Notes receivable | 891,622 | - | 891,622 | - |
| Inventories | - | - | - | 251,582 |
| Prepaid Expenses | - | - | - | 630 |
| Restricted cash and cash equivalents | 1,415,291 | 298,243 | 1,713,534 | - |
| Total current assets | <u>9,669,277</u> | <u>1,714,063</u> | <u>11,383,340</u> | <u>295,597</u> |
| Net pension asset | 20,150 | - | 20,150 | - |
| Capital assets: | | | | |
| Land, improvements, and construction in progress | 6,505,769 | 129,994 | 6,635,763 | 3,789 |
| Other capital assets, net of depreciation | 26,820,904 | 29,652,837 | 56,473,741 | 11,765 |
| Total capital assets | <u>33,326,673</u> | <u>29,782,831</u> | <u>63,109,504</u> | <u>15,554</u> |
| Total assets | <u>43,016,100</u> | <u>31,496,894</u> | <u>74,512,994</u> | <u>311,151</u> |
| DEFERRED OUTFLOWS OF RESOURCES | 5,518,970 | 279,166 | 5,798,136 | 32,978 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | 1,263,067 | 106,446 | 1,369,513 | 108,357 |
| Liabilities to be paid from restricted assets | - | 349,499 | 349,499 | - |
| Due within one year | 1,602,267 | 671,769 | 2,274,036 | - |
| Long-term liabilities | | | | |
| Net pension liability - LGERS | 4,213,219 | 268,929 | 4,482,148 | 17,867 |
| Total pension liability - LEOSSA | 675,011 | - | 675,011 | - |
| Net OPEB liability | 20,995,614 | 1,340,146 | 22,335,760 | 361,265 |
| Compensated absences payable | 85,763 | - | 85,763 | - |
| Due in more than one year | 19,356,778 | 12,415,561 | 31,772,339 | - |
| Total long-term liabilities | <u>45,326,385</u> | <u>14,024,636</u> | <u>59,351,021</u> | <u>379,132</u> |
| Total liabilities | <u>48,191,719</u> | <u>15,152,350</u> | <u>63,344,069</u> | <u>487,489</u> |
| DEFERRED INFLOWS OF RESOURCES | 959,547 | 51,096 | 1,010,643 | 1,068 |
| NET POSITION | | | | |
| Net investment in capital assets | 13,695,812 | 17,079,970 | 30,775,782 | 15,554 |
| Restricted for: | | | | |
| Stabilization by State Statute | 4,256,757 | - | 4,256,757 | - |
| Economic development | 1,255,153 | - | 1,255,153 | - |
| Working capital | - | - | - | 36,739 |
| Tax Revaluation | 144,317 | - | 144,317 | - |
| Education (Capital Reserve-Schools Fund) | 15,358 | - | 15,358 | - |
| Unrestricted (deficit) | (19,983,593) | (507,356) | (20,490,949) | (196,721) |
| Total net position | <u>\$ (616,196)</u> | <u>\$ 16,572,614</u> | <u>\$ 15,956,418</u> | <u>\$ (144,428)</u> |

The notes to the financial statements are an integral part of this statement.

**Bertie County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2021**

| 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 |
| Primary government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 3,535,172 | \$ 798,539 | \$ 1,840,117 | \$ - | \$ (896,516) | \$ - | \$ (896,516) | \$ - |
| Public safety | 10,605,191 | 3,147,683 | 1,064,719 | - | (6,392,789) | - | (6,392,789) | - |
| Economic and physical development | 2,778,344 | - | 665,450 | - | (2,112,894) | - | (2,112,894) | - |
| Human services | 5,492,878 | 1,064,719 | 4,125,787 | - | (302,372) | - | (302,372) | - |
| Environmental protection | 616,931 | 2,380,293 | 15,326 | - | 1,778,688 | - | 1,778,688 | - |
| Intergovernmental: | | | | | | | | |
| Education | 3,840,120 | - | 300,000 | - | (3,540,120) | - | (3,540,120) | - |
| Cultural and recreational | 390,583 | - | - | - | (390,583) | - | (390,583) | - |
| Debt services | 952,199 | - | - | - | (952,199) | - | (952,199) | - |
| Special appropriations | 600,314 | - | - | - | (600,314) | - | (600,314) | - |
| Total governmental activities | <u>28,811,732</u> | <u>7,391,234</u> | <u>8,011,399</u> | <u>-</u> | <u>(13,409,099)</u> | <u>-</u> | <u>(13,409,099)</u> | <u>-</u> |
| Business-type activities: | | | | | | | | |
| Water Districts | 3,294,140 | 2,760,941 | - | 169,753 | - | (363,446) | (363,446) | - |
| Total business-type activities | <u>3,294,140</u> | <u>2,760,941</u> | <u>-</u> | <u>169,753</u> | <u>-</u> | <u>(363,446)</u> | <u>(363,446)</u> | <u>-</u> |
| Total primary government | <u>\$ 32,105,872</u> | <u>\$ 10,152,175</u> | <u>\$ 8,011,399</u> | <u>\$ 169,753</u> | <u>\$ (13,409,099)</u> | <u>\$ (363,446)</u> | <u>\$ (13,772,545)</u> | <u>\$ -</u> |
| Component units: | | | | | | | | |
| ABC Board | 1,208,636 | 1,231,750 | - | - | - | 23,114 | 23,114 | 23,114 |
| Total component units | <u>\$ 1,208,636</u> | <u>\$ 1,231,750</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,114</u> | <u>\$ 23,114</u> | <u>\$ 23,114</u> |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | | | | | \$ 12,359,907 | \$ - | \$ 12,359,907 | \$ - |
| Local option sales tax | | | | | 2,949,259 | - | 2,949,259 | - |
| Other taxes and licenses | | | | | 1,086,674 | - | 1,086,674 | - |
| Investment earnings, unrestricted | | | | | 3,207 | 1,028 | 4,235 | 46 |
| Transfers | | | | | - | - | - | - |
| Total general revenues | | | | | <u>16,399,047</u> | <u>1,028</u> | <u>16,400,075</u> | <u>46</u> |
| Change in net position | | | | | <u>2,989,948</u> | <u>(362,418)</u> | <u>2,627,530</u> | <u>23,160</u> |
| Net position-beginning, as previously reported | | | | | | | | |
| | | | | | (3,622,382) | 16,935,032 | 13,312,650 | (167,588) |
| Prior period restatement - change in accounting principle | | | | | | | | |
| | | | | | 16,238 | - | 16,238 | |
| Net position-beginning, as restated | | | | | | | | |
| | | | | | <u>(3,606,144)</u> | <u>16,935,032</u> | <u>13,328,888</u> | <u>(167,588)</u> |
| Net position, ending | | | | | | | | |
| | | | | | <u>\$ (616,196)</u> | <u>\$ 16,572,614</u> | <u>\$ 15,956,418</u> | <u>\$ (144,428)</u> |

The notes to the financial statements are an integral part of this statement.

Bertie County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

| | <u>Major</u> | | <u>NonMajor</u> | <u>Total</u> |
|--|---------------------|------------------------------|---|---------------------|
| | <u>General Fund</u> | <u>SLFRF/ARP Project</u> | <u>Other Governmental Funds</u> | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,653,797 | \$ - | \$ 206,777 | \$ 2,860,574 |
| Restricted cash | 160,138 | 1,255,153 | - | 1,415,291 |
| Due from other funds | 305,029 | - | - | 305,029 |
| Receivables, (net): | | | | |
| Accounts | 3,476,905 | - | 474,823 | 3,951,728 |
| Taxes | 545,997 | - | - | 545,997 |
| Notes | 891,622 | - | - | 891,622 |
| Total assets | <u>\$ 8,033,488</u> | <u>\$ 1,255,153</u> | <u>\$ 681,600</u> | <u>\$ 9,970,241</u> |
| LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | 1,160,071 | - | 91,870 | 1,251,941 |
| Due to other funds | - | - | 305,029 | 305,029 |
| Total liabilities | <u>1,160,071</u> | <u>-</u> | <u>396,899</u> | <u>1,556,970</u> |
| Deferred Inflows of Resources: | | | | |
| Taxes receivable | 545,997 | - | - | 545,997 |
| Prepaid taxes | 39,800 | - | - | 39,800 |
| Notes receivable | 891,622 | - | - | 891,622 |
| Total deferred inflows of resources | <u>1,477,419</u> | <u>-</u> | <u>-</u> | <u>1,477,419</u> |
| Fund balances: | | | | |
| Restricted | | | | |
| Stabilization by state statute | 3,781,934 | - | 474,823 | 4,256,757 |
| Economic development | - | 1,255,153 | - | 1,255,153 |
| Committed | | | | |
| Future pension expense | 1,212,000 | - | - | 1,212,000 |
| Tax Revaluation | 144,317 | - | - | 144,317 |
| Education (Capital Reserve-Schools Fund) | 15,358 | - | - | 15,358 |
| Unassigned | 242,389 | - | (190,122) | 52,267 |
| Total fund balances | <u>5,395,998</u> | <u>1,255,153</u> | <u>284,701</u> | <u>6,935,852</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 8,033,488</u> | <u>\$ 1,255,153</u> | <u>\$ 681,600</u> | <u>\$ 9,970,241</u> |

The notes to the financial statements are an integral part of this statement.

**Bertie County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021**

| | |
|---|----------------------------|
| Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because: | |
| Total Fund Balance, Governmental Funds | 6,935,852 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 33,326,673 |
| Net pension asset | 20,150 |
| Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position. | 5,274,113 |
| Benefit payments and pension administration costs for pension and OPEB are deferred outflows of resources on the Statement on Net Position. | 180,553 |
| Net pension liability | (4,213,219) |
| Net OPEB liability | (20,995,614) |
| Total pension liability | (675,011) |
| Deferred inflows of resources for taxes and special assessments | 1,437,619 |
| Pension and OPEB related deferrals | (919,747) |
| 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. | (21,044,808) |
| The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 57,243 |
| Net position of governmental activities | \$ <u><u>(616,196)</u></u> |

OPEB and Pension related deferrals.

Bertie County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2021

| | <u>Major</u> | | <u>NonMajor</u> | <u>Total</u> |
|---|---------------------|------------------------------|---|---------------------|
| | <u>General Fund</u> | <u>SLFRF/ARP Project</u> | <u>Other Governmental Funds</u> | |
| REVENUES | | | | |
| Ad valorem taxes | \$ 12,349,796 | \$ - | \$ - | \$ 12,349,796 |
| Other taxes and licenses | 599,860 | - | - | 599,860 |
| Unrestricted intergovernmental revenues | 3,436,073 | - | - | 3,436,073 |
| Restricted intergovernmental revenues | 4,246,848 | 1,840,117 | 3,142,451 | 9,229,416 |
| Permits and fees | 211,464 | - | - | 211,464 |
| Sales and services | 3,503,325 | - | - | 3,503,325 |
| Investment earnings | 2,658 | - | 548 | 3,206 |
| Miscellaneous | 2,452,937 | - | 75,187 | 2,528,124 |
| Total revenues | <u>26,802,961</u> | <u>1,840,117</u> | <u>3,218,186</u> | <u>31,861,264</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 3,696,472 | 584,964 | 60,573 | 4,342,009 |
| Public safety | 8,118,750 | - | 1,136,503 | 9,255,253 |
| Economic and physical development | 472,011 | - | 2,249,020 | 2,721,031 |
| Human services | 833,830 | - | - | 833,830 |
| Environmental protection | 506,336 | - | - | 506,336 |
| Education | 3,840,120 | - | - | 3,840,120 |
| Cultural and recreational | 253,101 | - | - | 253,101 |
| Social Services | 3,977,630 | - | - | 3,977,630 |
| Debt services | 3,080,092 | - | - | 3,080,092 |
| Special appropriations | 600,313 | - | - | 600,313 |
| Total expenditures | <u>25,378,655</u> | <u>584,964</u> | <u>3,446,096</u> | <u>29,409,715</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,424,306</u> | <u>1,255,153</u> | <u>(227,910)</u> | <u>2,451,549</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | - | - | 172,500 | 172,500 |
| Transfers to other funds | (172,500) | - | - | (172,500) |
| Total other financing sources and uses | <u>(172,500)</u> | <u>-</u> | <u>172,500</u> | <u>-</u> |
| Net change in fund balance | 1,251,806 | 1,255,153 | (55,410) | 2,451,549 |
| Fund balances-beginning, as previously reported | 4,144,192 | - | 323,873 | 4,468,065 |
| Prior period restatement - change in accounting principle | - | - | 16,238 | 16,238 |
| Fund balances-beginning, as restated | 4,144,192 | - | 340,111 | 4,484,303 |
| Fund balances-ending | <u>\$ 5,395,998</u> | <u>1,255,153</u> | <u>\$ 284,701</u> | <u>\$ 6,935,852</u> |

The notes to the financial statements are an integral part of this statement.

Bertie County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2021

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

| | |
|--|--------------|
| Net changes in fund balance - total government funds | \$ 2,451,549 |
| 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. | 1,301,990 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. | (773,802) |
| Contributions and pension administration costs for pension and OPEB are deferred outflows of resources on the Statement of Net Position. | 180,553 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 545,997 |
| 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. | (8,890) |
| 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. | 2,127,893 |
| County's portion of collective pension expense. | (2,892,585) |
| Internal service funds are used by management to charge the costs of a telephone system to individual funds. | 57,243 |
| Total changes in net position of governmental activities | \$ 2,989,948 |

The notes to the financial statements are an integral part of this statement.

Bertie County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2021

| | General Fund | | | Variance With Final Positive (Negative) |
|---|--------------------|-------------------|---------------------|--|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 11,717,938 | \$ 12,291,779 | \$ 12,349,796 | \$ 58,017 |
| Other taxes and licenses | 474,050 | 488,050 | 599,860 | 111,810 |
| Unrestricted intergovernmental revenues | 2,698,060 | 2,789,742 | 3,436,073 | 646,331 |
| Restricted intergovernmental revenues | 4,477,350 | 4,606,627 | 3,946,848 | (659,779) |
| Permits and services | 227,650 | 227,650 | 211,464 | (16,186) |
| Sales and services | 4,076,725 | 4,076,725 | 3,503,325 | (573,400) |
| Investment earnings | 35,000 | 2,584 | 2,584 | - |
| Miscellaneous | 1,341,310 | 1,599,324 | 1,718,443 | 119,119 |
| Total revenues | <u>25,048,083</u> | <u>26,082,481</u> | <u>25,768,393</u> | <u>(314,088)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,846,607 | 4,117,846 | 3,696,472 | 421,374 |
| Public safety | 9,393,052 | 9,393,513 | 8,118,750 | 1,274,763 |
| Economic and physical development | 568,346 | 692,424 | 472,011 | 220,413 |
| Human Services | 850,724 | 962,528 | 833,830 | 128,698 |
| Environmental protection | 501,188 | 509,188 | 506,336 | 2,852 |
| Education | 3,748,446 | 3,840,128 | 3,840,120 | 8 |
| Cultural and recreational | 355,084 | 355,232 | 253,101 | 102,131 |
| Social services | 4,527,617 | 4,729,398 | 3,977,630 | 751,768 |
| Debt service | 3,080,095 | 3,080,095 | 3,080,092 | 3 |
| Special appropriations | 602,260 | 654,965 | 600,314 | 54,651 |
| Total expenditures | <u>27,473,419</u> | <u>28,335,317</u> | <u>25,378,656</u> | <u>2,956,661</u> |
| Revenues over (under) expenditures | (2,425,336) | (2,252,836) | 389,737 | 2,642,573 |
| Other financing sources (Uses) | | | | |
| Transfers from other funds | 2,505,336 | 2,505,336 | 949,336 | 1,556,000 |
| Transfers to other funds | (80,000) | (252,500) | (252,500) | - |
| Total other financing sources and uses | <u>2,425,336</u> | <u>2,252,836</u> | <u>696,836</u> | <u>1,556,000</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>-</u> | <u>-</u> | <u>1,086,573</u> | <u>4,198,573</u> |
| Appropriated fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>1,086,573</u> | <u>\$ 1,086,573</u> |
| Fund Balances - Beginning | | | 4,149,753 | |
| Fund Balances - Ending | | | <u>\$ 5,236,326</u> | |
| The legally budgeted Tax Revaluation Fund and Capital Reserve Fund are consolidated into the General Fund for reporting purposes: | | | | |
| Investment earnings | | | \$ 734,570 | |
| Lottery Funds | | | 300,000 | |
| Transfers (to)/from other funds | | | (869,336) | |
| Expenditures | | | - | |
| Fund Balance, Beginning | | | (5,562) | |
| Fund Balance, Ending (Exhibit 4) | | | <u>\$ 5,395,998</u> | |

The notes to the financial statements are an integral part of this statement.

Bertie County, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

| | Major Enterprise Fund | |
|---|----------------------------|---------------------------|
| | Regional Water District | Internal Service Funds |
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,118,490 | \$ - |
| Receivables, (net) | 297,330 | 4,065 |
| Total Current Assets | <u>1,415,820</u> | <u>4,065</u> |
| Noncurrent assets: | | |
| Restricted assets: | | |
| Restricted cash and cash equivalents | 298,243 | - |
| Capital assets: | | |
| Land and improvements | 129,994 | - |
| Buildings, improvements, and equipment | 43,621,663 | 305,185 |
| Less accumulated depreciation | (13,968,826) | (240,881) |
| Capital assets (net) | <u>29,782,831</u> | <u>64,304</u> |
| Total noncurrent assets | <u>30,081,074</u> | <u>64,304</u> |
| Total Assets | <u>31,496,894</u> | <u>68,369</u> |
| Deferred Outflows of Resources | <u>279,166</u> | <u>-</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable & accrued liabilities | 106,446 | 11,126 |
| Compensated absences | 20,340 | - |
| Installment purchase | 145,692 | - |
| Limited obligation bonds | 455,000 | - |
| Revenue bond | 27,000 | - |
| Original issue discount/premium | 23,737 | - |
| Total Current Liabilities | <u>778,215</u> | <u>11,126</u> |
| Noncurrent liabilities: | | |
| Liabilities payable from restricted assets: | | |
| Retainage payable | 72,969 | - |
| Customer deposits | 276,530 | - |
| Installment purchase | 2,261,169 | - |
| Limited obligation bonds | 8,225,000 | - |
| Revenue bond | 1,589,000 | - |
| Original issue discount/premium | 340,392 | - |
| Net pension liability | 268,929 | - |
| Net OPEB liability | 1,340,146 | - |
| Total noncurrent liabilities | <u>14,374,135</u> | <u>-</u> |
| Total Liabilities | <u>15,152,350</u> | <u>11,126</u> |
| Deferred Inflows of Resources | <u>51,096</u> | <u>-</u> |
| Net Position | | |
| Net investment in capital assets | 17,079,970 | 64,304 |
| Unrestricted | <u>(507,356)</u> | <u>(7,061)</u> |
| Total Net Position | <u>\$ 16,572,614</u> | <u>\$ 57,243</u> |

The notes to the financial statements are an integral part of this statement.

Bertie County, North Carolina
Statement of Revenues and Expenditures and
Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

Exhibit 7

| | Major Enterprise Fund | |
|--|-------------------------|-----------------------|
| | Regional Water District | Internal Service Fund |
| Operating revenues: | | |
| User charges | \$ 2,718,295 | \$ 67,226 |
| Other operating revenue | 18,909 | - |
| Total Operating Revenues | <u>2,737,204</u> | <u>67,226</u> |
| Operating expenses: | | |
| Cost of operations | 1,940,977 | 76,143 |
| Depreciation expense | 904,887 | 12,223 |
| Total operating expenses | <u>2,845,864</u> | <u>88,366</u> |
| Operating Income (Loss) | (108,660) | (21,140) |
| Nonoperating Revenues (Expenses): | | |
| Investment earnings | 1,028 | - |
| Debt service | (448,276) | - |
| Interest, fees and bond amortization | 23,737 | - |
| Total nonoperating revenues (expenses) | <u>(423,511)</u> | <u>-</u> |
| Income (loss) before contributions and operating transfers | (532,171) | (21,140) |
| Transfers in/(out) | - | - |
| Capital Contributions | 169,753 | - |
| Total transfers and capital contributions | <u>169,753</u> | <u>-</u> |
| Changes in net position | (362,418) | (21,140) |
| Net position, beginning | 16,935,032 | 78,383 |
| Total net position, ending | <u>\$ 16,572,614</u> | <u>\$ 57,243</u> |

Bertie County, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

Exhibit 8

| | Major Enterprise Fund | |
|---|-------------------------|-----------------------|
| | Regional Water District | Internal Service Fund |
| Cash flows From operating activities: | | |
| Cash received from customers | \$ 2,718,295 | \$ 67,226 |
| Cash paid for goods and services | (1,257,631) | (67,226) |
| Cash paid to employees for services | (564,472) | - |
| Customer deposits (net) | 15,216 | - |
| Other operating revenues | 18,909 | - |
| Net cash provided (used) by operating activities | 930,317 | - |
| Cash flows from noncapital financing activities: | | |
| Transfers | - | - |
| Net cash flows provided (used) by noncapital financing activities | - | - |
| Cash flows from capital and related financing activities: | | |
| Debt proceeds | 35,089 | - |
| Acquisition and construction of capital assets | (5,738) | - |
| Interest paid on construction debt | (448,276) | - |
| Principal paid on bond maturities and equipment contracts | (608,700) | - |
| Capital contributions - Federal and State grants | 169,753 | - |
| Net cash flows provided (used) for capital and related financing activities | (857,872) | - |
| Cash flows from investing activities | | |
| Interest on investment | 1,028 | - |
| Net cash provided (used) for investing activities | 1,028 | - |
| Net increase (decrease) in cash and cash equivalents | 73,473 | - |
| Cash and cash equivalents, beginning | 1,343,260 | - |
| Cash and cash equivalents, ending | \$ 1,416,733 | \$ - |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (108,660) | \$ (21,140) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation and Amortization | 928,624 | 12,223 |
| Changes in assets and liabilities, and deferred outflows in inflows of resources: | | |
| (Increase) decrease in accounts receivable | (29,170) | (284) |
| (Increase) decrease in deferred outflows of resources for pensions & OPEB | (11,724) | - |
| Increase (decrease) in net pension liability | 61,324 | - |
| Increase (decrease) in net OPEB liability | 52,475 | - |
| Increase (decrease) in deferred inflows of resources for pensions & OPEB | 5,530 | - |
| Increase (decrease) in accounts payable and accrued liabilities | 22,058 | 9,201 |
| Increase (decrease) in customer deposits | 15,216 | - |
| Increase (decrease) in accrued vacation | (5,356) | - |
| Total adjustments | 1,038,977 | 21,140 |
| Net cash provided (used) by operating activities | \$ 930,317 | \$ - |

Bertie County, North Carolina
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2021

Exhibit 9

| | | Municipal Tax Fund |
|---|----|-----------------------|
| Assets: | | |
| Taxes Receivable (Net) | \$ | 75,237 |
| Total Assets | | 75,237 |
| Liabilities and Fund Balances: | | |
| Liabilities: | | |
| Accounts Payable and Accrued | | |
| Liabilities | | 4,342 |
| Total Liabilities | | 4,342 |
| Net Position | | |
| Restricted for: | | |
| Individuals, Organizations, and | | |
| Other Governments | | 70,895 |
| Total Net Position | \$ | 70,895 |

The notes to the financial statements are an integral part of this statement.

Bertie County, North Carolina
Statement of Changes in Fiduciary Net Position
Custodial Fund
June 30, 2021

Exhibit 10

| | Municipal Tax Fund |
|--|-----------------------|
| Additions: | |
| Ad Valorem Taxes for Other Governments | \$ <u>786,874</u> |
| Total Additions | <u>786,874</u> |
| Deductions: | |
| Tax Distributions to Other Governments | <u>716,291</u> |
| Total Deductions | <u>716,291</u> |
| Net Increase (Decrease) in Fiduciary Net Position | <u>70,583</u> |
| Net Position, Beginning, as Previously Reported | - |
| Prior Period Restatement - Change in Accounting Principle | <u>312</u> |
| Net Position, Beginning, as Restated | <u>312</u> |
| Net Position, Ending | <u>\$ 70,895</u> |

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**BERTIE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a 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.

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 funds:

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

SLRF/ARP Fund - used to account for construction activity.

The County reports the following major enterprise fund:

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.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County.

Nonmajor Funds. The County maintains five legally budgeted funds. The Emergency Telephone System, Coronavirus Relief Fund, Representative Payee, Fund, Pest Management Fund and the Fines and Forfeitures Funds are reported as nonmajor special revenue funds. The EMS Building Fund, the Disaster Recovery Fund, Library/Cooperative Extension Building and Construction Fund, Water Access-Phase 1 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 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.

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, the Emergency Telephone, Fire District and Tax Revaluation Special Revenue Funds, the Representative Payee Fund, the Fines and Forfeitures Fund, Deed of Trust Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Reserve Special Revenue Fund, the Capital Projects Fund, and the Enterprise Capital Projects Funds. The Enterprise Capital Projects Funds 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 Outflow/Inflows 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 majority of the County and the ABC Board's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost

- The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. 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 | \$ | 144,317 |
| | Clean Water District IV | | 1,255,153 |
| | USDA Reserves Account | | 15,821 |
| Total Governmental Activities | | \$ | <u>1,415,291</u> |

Business-type Activities

| | | | |
|--------------------------------|-----------------------|----|----------------|
| Water District Regional | Customer deposits | \$ | 276,530 |
| | USDA Reserves Account | | 21,713 |
| Total Business-type Activities | | \$ | <u>298,243</u> |

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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1st, 2020. 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.

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

| | <u>Years</u> |
|-------------------------|--------------|
| 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:

| | <u>Years</u> |
|-------------------------|--------------|
| 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 meets the criterion for this category - prepaid taxes, 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, 2021.

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

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

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

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.

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 and OPEB Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGEERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. 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.

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 (\$7,552,048) consists of the following:

| Description | Amount |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column) | \$ 46,309,529 |
| Less accumulated depreciation | <u>(12,982,856)</u> |
| Net capital assets | 33,326,673 |
| Net pension asset. | 20,150 |
| Contributions to the pension plan in the current fiscal year | 5,274,113 |
| Benefit payments and pension administration costs for pensions and OPEB | 180,553 |
| Pension related deferrals | (178,675) |
| OPEB related deferrals. | (741,072) |
| Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide | 1,437,619 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements: | |
| Bonds, leases, and installment financing | (20,616,915) |
| Compensated absences | (427,893) |
| Net OPEB liability | (20,995,614) |
| Total pension liability | (675,011) |
| Net pension liability | <u>(4,213,219)</u> |
| | (46,928,652) |
| Internal service funds are used by management to charge the costs of a data information system to individual funds. | <u>57,243</u> |
| Total adjustment | <u>\$ (7,552,048)</u> |

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 \$538,398 is comprised of the following:

| Description | Amount |
|--|-------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities | \$ 2,488,578 |
| 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. | (1,186,588) |
| 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. | 2,127,893 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. | (773,802) |
| Contributions to the pension and OPEB plan are deferred outflows of resources on the Statement of Net Position | 180,553 |
| 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 | 545,997 |
| 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 | (8,890) |
| County's portion of collective pension expense | (2,892,586) |
| Internal service funds are used by management to charge the costs of a data information system to individual funds. | <u>57,243</u> |
| Total adjustment | <u>\$ 538,398</u> |

F. Subsequent Events - Date of Management Evaluation

Management has evaluated subsequent events through November 17, 2021 the date on which the financial statements were available to be issued.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

None.

B. Contractual Violations

None.

C. Deficit Fund Balance or Net Position of Individual Funds

None.

D. Excess of Expenditures over Appropriations

None.

III. 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 under collateralization, 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, 2021, the County's deposits had a carrying amount of \$1,934,704 and a bank balance of \$2,146,165. Of the bank balance, \$751,852 was covered by Federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2021, Bertie County had \$1,225 cash on hand.

At June 30, 2021, the carrying amount of deposits for Bertie County ABC Board was \$41,710 and the bank balance was \$51,011. All of the bank balance was covered by federal depository insurance. Petty cash funds totaled \$1,675 at year end.

2. Investments

At June 30, 2021, the County's investments consisted of \$3,756,669 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, 2021, 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 |
|--------------|---------------------|---------------------|---------------------|
| 2018 | 1,448,060 | 473,377 | 1,921,437 |
| 2019 | 1,452,034 | 340,565 | 1,792,599 |
| 2020 | 1,505,219 | 217,063 | 1,722,282 |
| 2021 | 1,564,994 | - | 1,564,994 |
| Total | \$ 5,970,307 | \$ 1,031,005 | \$ 7,001,311 |

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

| | Accounts | Taxes and Related Accrued Interest | Due from Other Governments | Other | Total |
|---------------------------------|---------------------|--|-------------------------------|-------------------|---------------------|
| Governmental activities: | | | | | |
| General | \$ 1,487,917 | \$ 663,454 | \$ 2,173,704 | \$ 891,622 | \$ 5,216,697 |
| Other Governmental | - | - | 474,823 | - | 474,823 |
| Internal Service Fund | 4,065 | - | - | - | 4,065 |
| Total receivables | 1,491,982 | 663,454 | 2,648,527 | 891,622 | 5,695,585 |
| Allowance for doubtful accounts | (184,716) | (117,457) | - | - | (302,173) |
| Total governmental activities | <u>\$ 1,307,266</u> | <u>\$ 545,997</u> | <u>\$ 2,648,527</u> | <u>\$ 891,622</u> | <u>\$ 5,393,412</u> |
| Business-type activities: | | | | | |
| Regional Water District | \$ 287,905 | \$ - | \$ - | \$ - | \$ 287,905 |
| Total receivables | 287,905 | - | - | - | 287,905 |
| Allowance for doubtful accounts | (20,831) | - | - | - | (20,831) |
| Total business-type activities | <u>\$ 267,074</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 267,074</u> |

5. Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2021, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|--------------|-------------|----------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,928,490 | - | \$ - | \$ 1,928,490 |
| Construction in progress | 3,056,013 | 2,192,465 | (671,199) | 4,577,279 |
| Total capital assets not being depreciated | 4,984,503 | 2,192,465 | (671,199) | 6,505,769 |
| Capital assets being depreciated: | | | | |
| Buildings | 30,541,923 | 680,294 | - | 31,222,217 |
| Improvement | 1,569,916 | - | - | 1,569,916 |
| Equipment | 4,279,637 | 262,118 | - | 4,541,755 |
| Vehicles and motor equipment | 2,195,461 | 24,900 | (55,674) | 2,164,687 |
| Total capital assets being depreciated | 38,586,937 | 967,312 | (55,674) | 39,498,575 |
| Less accumulated depreciation for: | | | | |
| Buildings | 7,019,796 | 633,723 | - | 7,653,519 |
| Improvements | 677,238 | 75,572 | - | 752,810 |
| Equipment | 2,725,544 | 299,315 | - | 3,024,859 |
| Vehicles and motor equipment | 1,188,483 | 177,978 | (55,674) | 1,310,787 |
| Total accumulated depreciation | 11,611,061 | \$ 1,186,588 | \$ (55,674) | 12,741,975 |
| Total capital assets being depreciated, net | 26,975,876 | | | 26,756,600 |
| Governmental activity capital assets, net | <u>\$ 31,960,379</u> | | | <u>\$ 33,262,369</u> |
| Internal Service Funds: | | | | |
| Capital assets being depreciated: | | | | |
| Building, improvements, and equipments | \$ 305,185 | - | - | \$ 305,185 |
| Total capital assets being depreciated | 305,185 | - | - | 305,185 |
| Less accumulated depreciation for: | | | | |
| Building, improvements, and equipments | 228,658 | 12,223 | - | 240,881 |
| Total accumulated depreciation | 228,658 | 12,223 | - | 240,881 |
| Total capital assets being depreciated, net | 76,527 | | | 64,304 |
| Internal Service Fund capital assets, net | <u>\$ 76,527</u> | | | <u>\$ 64,304</u> |
| Combined Governmental Activity and Internal Service Funds, net | <u>\$ 32,036,906</u> | | | <u>\$ 33,326,673</u> |

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

| | |
|----------------------------|---------------------|
| General government | \$ 624,881 |
| Public safety | 402,557 |
| Human services | 75,994 |
| Parks and recreation | 83,156 |
| Internal Service fund | 12,223 |
| Total depreciation expense | <u>\$ 1,198,811</u> |

| Business-type Activities: | Beginning Balances | Increases | Decreases | Ending Balances |
|---|----------------------|-------------------|--------------------|----------------------|
| Water Districts | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 129,994 | \$ - | \$ - | \$ 129,994 |
| Construction in progress | 3,342,421 | - | (3,342,421) | - |
| Total capital assets not being depreciated | <u>3,472,415</u> | <u>-</u> | <u>(3,342,421)</u> | <u>129,994</u> |
| Capital assets being depreciated: | | | | |
| Plant and distribution systems | 40,100,679 | 3,348,159 | - | 43,448,838 |
| Vehicles | 172,825 | - | - | 172,825 |
| Total capital assets being depreciated | <u>40,273,504</u> | <u>3,348,159</u> | <u>-</u> | <u>43,621,663</u> |
| Less accumulated depreciation for: | | | | |
| Plant and distribution systems | 12,891,114 | 904,887 | - | 13,796,001 |
| Vehicles | 172,825 | - | - | 172,825 |
| Total accumulated depreciation | <u>13,063,939</u> | <u>\$ 904,887</u> | <u>\$ -</u> | <u>13,968,826</u> |
| Total capital assets being depreciated, net | <u>27,209,565</u> | | | <u>29,652,837</u> |
| Water District capital assets, net | <u>\$ 30,681,980</u> | | | <u>\$ 29,782,831</u> |

Construction commitments

The government has active construction projects as of June 30, 2021. The projects include the Library/Cooperative Extension Building and the water access projects. At June 30, 2021, the government's commitments with contractors are as follows:

| Project | Spent-to-date | Remaining Commitment |
|---|---------------------|----------------------|
| Library/Cooperative Extension Building Fund | \$ 2,123,470 | \$ 572,223 |
| Water Access - TGOW | 125,550 | 848,722 |
| Total | <u>\$ 2,249,020</u> | <u>\$ 1,420,945</u> |

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

| ABC Board: | Beginning Balances | Increases | Decreases | Ending Balances |
|---|--------------------|-----------------|-------------|------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,789 | \$ - | \$ - | \$ 3,789 |
| Total capital assets not being depreciated | <u>3,789</u> | <u>-</u> | <u>-</u> | <u>3,789</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 19,211 | - | - | 19,211 |
| Leasehold improvement | 25,582 | - | - | 25,582 |
| Furniture and equipment | 125,211 | - | - | 125,211 |
| Total capital assets being depreciated | <u>170,004</u> | <u>-</u> | <u>-</u> | <u>170,004</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 19,211 | - | - | 19,211 |
| Furniture and equipment | 14,094 | 2,558 | - | 16,652 |
| Leasehold improvement | 119,645 | 2,731 | - | 122,376 |
| Total accumulated depreciation | <u>152,950</u> | <u>\$ 5,289</u> | <u>\$ -</u> | <u>158,239</u> |
| Total capital assets being depreciated, net | <u>17,054</u> | | | <u>11,765</u> |
| ABC capital assets, net | <u>\$ 20,843</u> | | | <u>\$ 15,554</u> |

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, 2021, Bertie County paid the Town of Windsor \$28,302 from the water fund. For the fiscal year ending June 30, 2021, the Town paid Bertie County \$0 and \$0 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.

B. Liabilities**1. Payables**

Payables at the government-wide level at June 30, 2021, were as follows:

| | <u>Vendors</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|
| Governmental Activities: | | |
| General | \$ 1,160,071 | \$ 1,160,071 |
| Other Governmental | 71,170 | 71,170 |
| Internal Service Fund | 11,126 | 11,126 |
| Total governmental funds | <u>\$ 1,242,367</u> | <u>\$ 1,242,367</u> |
| Business-type Activities: | | |
| Regional Water Districts | \$ 127,146 | \$ 127,146 |
| Total business-type activities | <u>\$ 127,146</u> | <u>\$ 127,146</u> |

2. Pension Plan and Other Post Employment Obligations**a. Local Governmental Employees' Retirement System**

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

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

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

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, 2020, was 10.84% of compensation for law enforcement officers and 10.15% 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 \$823,194 for the year ended June 30, 2021.

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, 2021 the County reported a liability of \$4,482,148 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was 0.12543% (measured as of June 30, 2020), which was a decrease of .00127% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$1,492,980. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ 566,017 | \$ - |
| Changes of assumptions | 333,560 | - |
| Net difference between projected and actual earnings on pension plan investments | 630,742 | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 12,107 | 190,080 |
| County contributions subsequent to the measurement date | 823,194 | - |
| Total | <u>\$ 2,365,620</u> | <u>\$ 190,080</u> |

\$823,194 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|---------------------------|---------------------|
| 2022 | 376,276 |
| 2023 | 506,974 |
| 2024 | 282,428 |
| 2025 | 186,668 |
| 2026 | - |
| Thereafter | - |
| Total | <u>\$ 1,352,346</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.0 percent |
| Salary Increases | 3.50 to 7.75 percent, including inflation and productivity factor |
| Investment rate of return | 7.00 percent, net of pension plan investment expense, including inflation |

The plan actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table 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, 2019 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, 2021 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|--------------------------|---|
| Fixed Income | 29.0% | 1.4% |
| Global Equity | 42.0% | 5.3% |
| Real Estate | 8.0% | 4.3% |
| Alternatives | 8.0% | 8.9% |
| Credit | 7.0% | 6.0% |
| Inflation Protection | 6.0% | 4.0% |
| Total | <u>100%</u> | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1 % Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---------------------------------|----------------------------------|--------------------------------|
| County's proportionate share of the net pension liability (asset) | \$9,093,790 | \$4,482,148 | \$649,549 |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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.

At the December 31, 2019, the Separation Allowance's membership consisted of:

| | |
|-----------------------------|-----------|
| Retirees Receiving Benefits | 1 |
| Active Plan Members | 26 |
| Total | <u>27</u> |

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 following criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|----------------------|
| Inflation | 2.5 percent |
| Salary increases | 3.25 to 7.75 percent |
| Discount rate | 1.93 percent |

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20 year Municipal Bond Index as of June 30, 2020.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an experience study completed by the Actuary for the Local Government Employee's Retirement System for the five-year period ending December 31, 2014.

4. 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.

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

At June 30, 2021, the County reported a total pension liability of \$675,011. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$59,990.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 103,262 |
| Changes of assumptions and other inputs | 193,232 | 13,839 |
| County benefit payments and administrative expenses subsequent to the measurement date. | - | - |
| Total | <u>\$ 193,232</u> | <u>\$ 117,101</u> |

\$00 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended | |
|-------------------|------------------|
| June 30 | |
| 2022 | 7,068 |
| 2023 | 7,611 |
| 2024 | 11,687 |
| 2025 | 17,927 |
| 2026 | 20,982 |
| Thereafter | 10,856 |
| | \$ 76,131 |

Sensitivity of the County's total pension liability to changes in the discount rate. following presents the County's total pension liability calculated using the discount rate of 1.93 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 (0.93percent) or 1-percentage-point higher (2.93 percent) than the current rate:

| | 1% Decrease | Discount Rate | 1% Increase |
|-------------------------|--------------------|----------------------|--------------------|
| | (0.93%) | (1.93%) | (2.93%) |
| Total pension liability | \$ 744,391 | \$ 675,011 | \$ 612,452 |

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

| | |
|--|-------------------|
| Beginning balance | \$ 500,459 |
| Service Cost | 36,843 |
| Interest on the total pension liability | 16,079 |
| Changes of benefit terms | - |
| Differences between expected and actual experience in the measurement of the total pension liability | |
| Changes of assumptions or other inputs | (63,713) |
| Benefit payments | (14,476) |
| Other changes | - |
| Ending balance of the total pension liability | <u>\$ 675,011</u> |

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, 2019 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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. 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, 2021 were \$360,529 which consisted of \$265,665 from the County and \$94,864 from the employees.

d. Register 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

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 \$1,038 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$20,150 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 0.08792%, which was a decrease of 0.00842% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$1,573. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 411 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,724 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 3,080 | - |
| County contributions subsequent to the measurement date | 1,038 | - |
| Total | <u>\$ 4,118</u> | <u>\$ 2,135</u> |

\$1,038 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|--------------------|---------------|
| 2022 | 1,240 |
| 2023 | 917 |
| 2024 | (778) |
| 2025 | (434) |
| 2026 | - |
| Total | <u>\$ 945</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2019 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, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 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 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 pension liability (asset) | \$17,115 | \$20,150 | \$22,718 |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

| | LGERS | ROD | LEOSSA | Total |
|--|--------------|-------------|---------|--------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 4,482,148 | \$ (20,150) | n/a | \$ 4,461,998 |
| Proportion of the Net Pension Liability (Asset) | 0.12543% | 0.08792% | n/a | |
| Total Pension Liability | | | 675,011 | 675,011 |
| Pension Expenses | 1,492,980 | 1,573 | 59,990 | 1,554,543 |

f. 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 June 30, 2020, the date of the latest actuarial valuation:

| | General Employees | Law Enforcement Employees |
|--|----------------------|------------------------------|
| Inactive Members or Beneficiaries Currently Receiving Benefits | 48 | 1 |
| Active Members | 98 | 26 |
| Total | <u>146</u> | <u>27</u> |

Total OPEB Liability

The County's total OPEB liability of \$22,335,760 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 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 | 0.75% |
| Wage Inflation | 3.25% |
| Salary increases, including wage inflation | 3.25% to 8.41% |
| Municipal bond index rate | 2.16% |
| Healthcare cost trends | |
| Pre-Medicare | 7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 |
| Medicare | 5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021 |

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

| Total OPEB Liability | |
|--|----------------------|
| Balance at July 1, 2020 | \$ 21,461,181 |
| Changes for the year: | |
| Service cost | 926,619 |
| Interest | 490,917 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (68,791) |
| Changes in assumptions | (123,504) |
| Benefit Payments | (350,662) |
| Net changes | <u>874,579</u> |
| Balance at June 30, 2021 | <u>\$ 22,335,760</u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table.

The actuarial assumptions used in the June 30, 2020 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

| | 1% Decrease (1.16%) | Discount Rate (2.16%) | 1% Increase (3.16%) |
|----------------------|--------------------------------|----------------------------------|--------------------------------|
| Total OPEB Liability | \$27,155,303 | \$22,335,760 | \$18,642,221 |

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

| | 1% Decrease | Current | 1% Increase |
|----------------------|--------------------|----------------|--------------------|
| Total OPEB Liability | \$17,931,101 | \$22,335,760 | \$28,295,243 |

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$1,906,277. At June 30, 2021, 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 | \$ 353,932 | \$ 58,645 |
| Changes of assumptions | 2,941,746 | 602,881 |
| Benefit payment and administrative costs made subsequent to the measurement date | - | - |
| Total | <u>\$ 3,295,678</u> | <u>\$ 661,526</u> |

\$00 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|---------------------------|---------------------|
| 2022 | 488,741 |
| 2023 | 488,741 |
| 2024 | 488,741 |
| 2025 | 488,741 |
| 2026 | 535,317 |
| Thereafter | 143,871 |
| Total | <u>\$ 2,634,152</u> |

g. 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.

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 | \$ 566,017 | \$ - |
| Register of Deeds | - | 411 |
| LEOSSA | - | 103,262 |
| Pensions - difference between projected and actual investment earnings | | |
| LGERS | 630,742 | - |
| Register of Deeds | - | - |
| Pensions - change in proportionate and difference between employer contributions and proportionate share of contributions | | |
| LGERS | 12,107 | 190,080 |
| Register of Deeds | 3,080 | - |
| OPEB - difference between expected and actual experience | 353,932 | 58,645 |
| Changes in assumptions | | |
| LGERS | 333,560 | - |
| OPEB | 2,941,746 | 602,881 |
| Register of Deeds | - | - |
| LEOSSA | 193,232 | 13,839 |
| Contributions to pension plan in 2019-2020 fiscal year | | |
| LGERS | 823,194 | - |
| Register of Deeds | 1,038 | - |
| Prepaid taxes not yet earned (General) | - | 39,800 |
| Taxes receivable, net (General) | - | 545,997 |
| Special assessments receivable, net (General) | - | 891,622 |
| Total | <u>\$ 5,858,648</u> | <u>\$ 2,446,537</u> |

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 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, 2021.

| Year Ending June 30 | Amount |
|---------------------|-------------------|
| 2022 | \$ 122,542 |
| 2023 | 48,115 |
| Total | <u>\$ 170,657</u> |

b. Installment Purchases

Serviced by the General Fund:

In February 2000, the County entered into a direct placement 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. The balance at June 30, 2021 is \$473,338.

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 direct placement 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 direct placement 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. The balance at June 30, 2021 is \$577,020.

In October 2006, the County entered into a direct placement installment purchase contract for \$3,300,000 to finance the construction of the new Department of Social Services Building. The financing contract 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. The balance at June 30, 2021 is \$220,000.

In April 2017, the County entered into a direct placement 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. The balance at June 30, 2021 is \$608,147.

In October 2017, the County entered into a direct placement 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. The balance at June 30, 2021 is \$288,410.

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%. The balance at June 30, 2021 is \$128,145.

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, 2021, the County has received \$1,243,237 and the annual principal payments were reduced to \$62,162. The balance at June 30, 2021 is \$1,056,751.

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, 2020, the County has received \$1,437,608. The balance at June 30, 2021 is \$1,221,965.

For Bertie County, the future minimum payments of these direct placement installment purchases as of June 30, 2021, including \$173,120 of interest, are:

| Year Ending June 30 | Governmental Activities | | | |
|---------------------------------------|-------------------------|----------|---------------------|----------|
| | Hospital | | DSS County Building | |
| | Principal | Interest | Principal | Interest |
| 2022 | 473,338 | 8,874 | 220,000 | 5,258 |
| Principal and interest payment totals | \$ 473,338 | \$ 8,874 | \$ 220,000 | \$ 5,258 |

| Year Ending June 30 | QZAB Bertie High | | Medical Equipment | |
|---------------------------------------|------------------|----------|-------------------|------------|
| | Principal | Interest | Principal | Interest |
| 2022 | 109,460 | - | 48,096 | 16,725 |
| 2023 | 109,460 | - | 49,419 | 15,402 |
| 2024 | 109,460 | - | 50,778 | 14,042 |
| 2025 | 109,460 | - | 52,174 | 12,646 |
| 2026 | 109,460 | - | 53,609 | 11,211 |
| 2027-2031 | 29,720 | - | 290,986 | 33,114 |
| 2032-2036 | - | - | 63,085 | 1,735 |
| Principal and interest payment totals | \$ 577,020 | \$ - | \$ 608,147 | \$ 104,875 |

| Year Ending June 30 | Medical Equipment | | Business-type Activities | | |
|---------------------------------------|-------------------|-----------|--------------------------|---------------------|--------------------|
| | Principal | Interest | DENR Principal | DWSFRF Principal | DWSRF Principal |
| 2022 | 20,614 | 7,931 | 11,650 | 62,162 | 71,880 |
| 2023 | 21,181 | 7,364 | 11,650 | 62,162 | 71,881 |
| 2024 | 21,762 | 6,782 | 11,650 | 62,162 | 71,881 |
| 2025 | 22,360 | 6,184 | 11,650 | 62,162 | 71,880 |
| 2026 | 22,975 | 5,569 | 11,650 | 62,162 | 71,880 |
| 2027-2031 | 124,708 | 18,012 | 58,250 | 310,810 | 359,402 |
| 2032-2036 | 54,810 | 2,271 | 11,645 | 310,810 | 359,403 |
| 2037-2041 | - | - | - | 124,321 | 143,758 |
| Principal and interest payment totals | \$ 288,410 | \$ 54,113 | \$ 128,145 | \$ 1,056,751 | \$ 1,221,965 |

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, 2021 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%. | 420,000 |
| | <u>\$ 18,450,000</u> |

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%. | \$ 1,795,000 |
| \$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%. | 2,620,000 |
| \$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%. | 1,580,000 |
| \$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%. | 2,685,000 |
| | <u>\$ 8,680,000</u> |

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 total | |
|---------------------------------------|--------------------------------|----------------------|--------------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2022 | 420,000 | 861,710 | 455,000 | 345,356 |
| 2023 | - | 841,460 | 465,000 | 327,157 |
| 2024 | - | 841,460 | 485,000 | 298,856 |
| 2025 | - | 841,460 | 515,000 | 278,856 |
| 2026 | - | 841,460 | 520,000 | 257,831 |
| 2027-2031 | - | 4,207,300 | 2,785,000 | 953,766 |
| 2032-2036 | 18,030,000 | 4,207,300 | 2,675,000 | 399,294 |
| 2037-2041 | - | 400,480 | 780,000 | 51,800 |
| Principal and interest payment totals | <u>\$ 18,450,000</u> | <u>\$ 13,042,630</u> | <u>\$ 8,680,000</u> | <u>\$ 2,912,916</u> |

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, 2021, the County has received \$1,616,000.

The future payments of the revenue bond are as follows:

| Year Ending June 30 | Principal | Interest |
|---------------------------------------|---------------------|-------------------|
| 2022 | 27,000 | 44,440 |
| 2023 | 28,000 | 43,698 |
| 2024 | 28,000 | 42,928 |
| 2025 | 29,000 | 42,158 |
| 2026 | 30,000 | 41,360 |
| 2027-2031 | 163,000 | 193,903 |
| 2032-2036 | 185,000 | 170,363 |
| 2027-2041 | 213,000 | 143,468 |
| 2042-2046 | 243,000 | 112,530 |
| 2047-2051 | 279,000 | 77,193 |
| 2052-2056 | 321,000 | 36,603 |
| 2057-2061 | 70,000 | 1,925 |
| Principal and interest payment totals | <u>\$ 1,616,000</u> | <u>\$ 950,569</u> |

At June 30, 2021, Bertie County had a legal debt margin of \$98,280,666.

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2021:

| | Balance June 30, 2020 | | Increases | | Decreases | | Balance June 30, 2021 | | Current Portion of Balance |
|---|--------------------------|------------|-----------|-----------|-----------|-----------|--------------------------|------------|-------------------------------|
| Governmental activities: | | | | | | | | | |
| Direct Placement Installment purchase | \$ | 3,539,808 | \$ | - | \$ | 1,372,893 | \$ | 2,166,915 | \$ 871,508 |
| Limited obligation debt | | 19,205,000 | | - | | 755,000 | | 18,450,000 | 420,000 |
| Compensated absences | | 419,003 | | 351,020 | | 342,130 | | 427,893 | 342,130 |
| Total pension liability (LEOSSA) | | 500,459 | | 174,552 | | - | | 675,011 | - |
| Net pension liability (LGERS) | | 3,267,540 | | 945,679 | | - | | 4,213,219 | - |
| Net OPEB liability | | 20,173,510 | | 822,104 | | - | | 20,995,614 | - |
| Total governmental activities | \$ | 47,105,320 | \$ | 2,293,355 | \$ | 2,470,023 | \$ | 46,928,652 | \$ 1,633,638 |
| Business-type activities: | | | | | | | | | |
| Direct Placement Installment purchase | \$ | 2,519,472 | \$ | 35,089 | \$ | 147,700 | \$ | 2,406,861 | \$ 145,692 |
| Limited obligation debt | | 9,115,000 | | - | | 435,000 | | 8,680,000 | 455,000 |
| Revenue bond | | 1,639,179 | | 2,821 | | 26,000 | | 1,616,000 | 27,000 |
| Original issue discount | | (35,421) | | - | | 2,166 | | (33,255) | (2,166) |
| Original issue premium | | 423,287 | | - | | 25,903 | | 397,384 | 25,903 |
| Compensated absences | | 25,696 | | - | | 5,356 | | 20,340 | 20,340 |
| Net pension liability (LGERS) | | 207,605 | | 61,324 | | - | | 268,929 | - |
| Net OPEB liability | | 1,287,671 | | 52,475 | | - | | 1,340,146 | - |
| Total business-type activities | \$ | 15,182,489 | \$ | 151,709 | \$ | 642,125 | \$ | 14,696,405 | \$ 671,769 |
| Discretely presented component unit: | | | | | | | | | |
| Net pension liability (LGERS) | \$ | 15,293 | \$ | 2,574 | \$ | - | \$ | 17,867 | \$ - |
| Net OPEB liability | | 307,890 | | 53,375 | | - | | 361,265 | - |
| Total discretely presented component unit | \$ | 323,183 | \$ | 55,949 | \$ | - | \$ | 379,132 | \$ - |

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, 2021, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2021, consist of the following:

| | | |
|--|----|-----------|
| Transfer from the Capital Reserve Schools to the General Fund for debt services. | \$ | 949,336 |
| Transfer from the General Fund to the Library Co-Op Construction Fund to accumulate resources for the a project. | | (120,000) |
| Transfer from the General Fund to the Water Access - Phase I Fund to accumulate resources for the a project. | | (52,500) |
| Transfer from the General Fund to the Revaluation Fund to accumulate resources for the revaluation of real property. | | (80,000) |
| | \$ | 696,836 |

D. Net Investment in Capital Assets

| | | |
|---|---------------|---------------|
| Capital Assets | Governmental | Business-type |
| | \$ 33,262,369 | \$ 29,782,831 |
| Less: long-term debt | 20,616,915 | 12,702,861 |
| Add: debt related to assets not owned by the County | 1,050,358 | - |
| Net investment in capital assets | \$ 13,695,812 | \$ 17,079,970 |

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 | \$ 5,395,998 |
| Less: | |
| Stabilization by State Statute | 3,729,584 |
| Future pension expense | 1,212,000 |
| Tax Revaluation | 144,317 |
| Education | 15,358 |
| Remaining Fund Balance | 294,739 |

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, 2021. 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, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$44,590 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, 2010. In accordance with the governmental agreement between the participating governments, the County appropriated \$1,147,006 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, 2021. In accordance with the intergovernmental 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, 2021.

V. 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.

VI. 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, 2021, the County reported these local option 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.

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, 2021, the fair market value of the lease was \$473,338.

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. Restatements

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

| Governmental Activities Net Position - Increase (Decrease) | General Fund Balance - Increase (Decrease) | Nonmajor Special Revenue Fund Balance - Increase (Decrease) | Fiduciary Net Position - Custodial Fund - Increase (Decrease) | |
|---|---|---|---|--|
| 7,091 | - | 7,091 | - | Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance. |
| - | - | - | 312 | Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position. |
| 9,147 | - | 9,147 | - | Cash related to funds held for designated donor request was reclassified from the Agency Fund into fund balance in the General Fund. |
| <u>\$ 16,238</u> | <u>\$ -</u> | <u>\$ 16,238</u> | <u>\$ 312</u> | |

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

Schedule of the Proportionate Share of the Net Pension Asset – Local Government Employees’ Retirement System

Schedule of Contributions – Local Government Employees’ Retirement System

Schedule of the Proportionate Share of the Net Pension Asset – Register of Deeds

Schedule of Contributions – Register of Deeds

Schedule of Changes in Total Pension Liability - Law Enforcement Officer’s Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Schedule of Changes in Net OPEB Liability and Related Ratios

Bertie County, North Carolina
Bertie County's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

Local Government Employees' Retirement System

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| County's proportion of the net pension liability (asset) (%) | 0.12543% | 0.12670% | 0.13380% | 0.13060% | 0.11400% | 0.10470% | 0.0811% | 0.8310% |
| County's proportion of the net pension liability (asset) (\$) | \$ 4,482,148 | \$ 3,460,078 | \$ 3,174,194 | \$ 1,995,817 | \$ 2,420,311 | \$ 469,977 | \$ (478,284) | \$ 1,001,674 |
| County's covered-employee payroll | \$ 7,754,480 | \$ 7,692,289 | \$ 7,180,138 | \$ 7,198,427 | \$ 6,638,186 | \$ 6,546,107 | \$ 5,337,910 | \$ 5,337,910 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 57.80% | 44.98% | 44.21% | 27.73% | 36.46% | 7.18% | (8.96%) | 18.77% |
| Plan fiduciary net position as a percentage of the total pension liability | 88.61% | 90.86% | 91.63% | 94.18% | 91.47% | 98.09% | 102.64% | 94.35% |

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

**Bertie County, North Carolina
Bertie County's Contributions
Required Supplementary Information
Last Eight Fiscal Years**

Local Government Employees' Retirement System

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 823,194 | \$ 703,368 | \$ 604,727 | \$ 547,481 | \$ 523,363 | \$ 445,210 | \$ 428,252 | \$ 354,841 |
| Contributions in relation to the contractually required contribution | 823,194 | 703,368 | 604,727 | 547,481 | 523,363 | 445,210 | 428,252 | 354,841 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered-employee payroll | \$ 8,022,976 | \$ 7,754,480 | \$ 7,692,289 | \$ 7,180,138 | \$ 7,198,427 | \$ 6,638,186 | \$ 6,546,107 | \$ 5,337,910 |
| Contributions as a percentage of covered-employee payroll | 10.26% | 9.07% | 7.86% | 7.62% | 7.27% | 6.71% | 6.54% | 6.65% |

Bertie County, North Carolina
Bertie County's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

Registers of Deeds' Supplemental Pension Fund

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| County's proportion of the net pension liability (asset) (%) | 0.08792% | 0.09634% | 0.11714% | 0.12288% | 0.11913% | 0.11998% | 0.12285% | 0.11879% |
| County's proportion of the net pension liability (asset) (\$) | \$ (20,150) | \$ (19,019) | \$ (19,402) | \$ (20,974) | \$ (22,273) | \$ (27,804) | \$ (27,841) | \$ (25,374) |
| Plan fiduciary net position as a percentage of the total pension liability | 173.62% | 164.11% | 153.31% | 153.77% | 106.17% | 197.29% | 193.88% | 190.50% |

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

**Bertie County, North Carolina
Bertie County's Contributions
Required Supplementary Information
Last Eight Fiscal Years**

Registers of Deeds' Supplemental Pension Fund

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$ 1,038 | \$ 936 | \$ 916 | \$ 1,002 | \$ 1,068 | \$ 973 | \$ 960 | \$ 1,003 |
| Contributions in relation to the contractually required contribution | 1,038 | 936 | 916 | 1,002 | 1,068 | 973 | 960 | 1,003 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Bertie County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
June 30, 2021

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------------|-------------------|-------------------|-------------------|----------------|
| Beginning balance | 500,459 | 463,820 | 462,633 | 475,161 | 457,728 |
| Service Cost | 36,843 | 33,158 | 37,612 | 29,088 | 26,421 |
| Interest on the total pension liability | 16,079 | 16,620 | 14,390 | 18,062 | 16,082 |
| Differences between expected and actual experience in the measurement of the total pension liability | (63,713) | (16,078) | (15,725) | (75,901) | - |
| Changes of assumptions or other inputs | 199,819 | 17,415 | (20,614) | 30,699 | (10,594) |
| Benefit payments | (14,476) | (14,476) | (14,476) | (14,476) | (14,476) |
| Ending balance of the total pension liability | <u>\$ 675,011</u> | <u>\$ 500,459</u> | <u>\$ 463,820</u> | <u>\$ 462,633</u> | <u>475,161</u> |

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

Bertie County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2021

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|
| Total pension liability | \$ 675,011 | \$ 500,459 | \$ 463,820 | \$ 462,633 | \$ 475,161 |
| Covered payroll | 1,309,035 | 1,206,025 | 1,221,743 | 1,140,114 | 1,049,983 |
| Total pension liability as a percentage of covered payroll | 51.57% | 41.50% | 37.96% | 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.

Bertie County, North Carolina
Schedule of Changes in the Net OPEB Liability and Related Ratios
Required Supplementary Information
For the Year Ended June 30, 2021

| Total OPEB Liability | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|-------------------|-------------------|-------------------|
| Service cost | \$ 926,619 | 859,320 | 737,297 | 787,570 |
| Interest | 490,917 | 590,388 | 571,511 | 520,792 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (68,791) | 335,773 | 81,065 | 111,283 |
| Changes of assumptions | (123,504) | 3,005,449 | 1,192,035 | (937,941) |
| Benefit payments | (350,662) | (392,596) | (417,726) | (420,356) |
| Net change in total OPEB liability | 874,579 | 4,398,334 | 2,164,182 | 61,348 |
| Total OPEB liability - beginning | 21,461,181 | 17,062,847 | 14,898,665 | 14,837,317 |
| Total OPEB liability - ending | \$ 22,335,760 | 21,461,181 | 17,062,847 | 14,898,665 |
| | | | | |
| Covered payroll | \$ 5,421,133 | 5,421,133 | 4,875,577 | 4,875,577 |
| County's OPEB liability as a percentage of its covered payroll | 412.01% | 395.88% | 349.97% | 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% |
| 2019 | 3.50% |
| 2020 | 2.21% |
| 2021 | 2.16% |

GENERAL FUND

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

Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | Final Budget | Actual | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------------|
| Revenues: | | | |
| Ad Valorem Taxes: | | | |
| Current year | \$ | \$ 12,228,796 | \$ |
| Penalties and Interest | | 121,000 | |
| Total | <u>12,291,779</u> | <u>12,349,796</u> | <u>58,017</u> |
| Other Taxes and Licenses: | | | |
| Local 1 percent sales tax-article 39 | | 471,434 | |
| Excise tax | | 99,996 | |
| Motor vehicle lease tax | | 59 | |
| Scrap tire disposal tax | | 28,371 | |
| Total | <u>488,050</u> | <u>599,860</u> | <u>111,810</u> |
| Unrestricted Intergovernmental Revenues: | | | |
| Wine and beer | | 56,793 | |
| Solid waste disposal tax | | 12,932 | |
| Payment in lieu of taxes | | 44,622 | |
| Local 1/2¢ sales tax-article 40 | | 1,331,800 | |
| Local 1/2¢ sales tax-article 42 | | 557,778 | |
| Local 1/2¢ sales tax-article 44 | | 767,999 | |
| Local 1/4¢ sales tax-article 46 | | 291,682 | |
| State DWI | | 709 | |
| Medicaid EMS cost settlement | | 371,758 | |
| Total | <u>2,789,742</u> | <u>3,436,073</u> | <u>646,331</u> |
| Restricted Intergovernmental Revenues: | | | |
| State and federal grants | | 400,667 | |
| Other grants | | 22,349 | |
| Court facilities fees | | 24,523 | |
| Profits for law enforcement | | 167,112 | |
| Aging office | | 191,963 | |
| Social services revenues | | 3,140,234 | |
| Total | <u>4,606,627</u> | <u>3,946,848</u> | <u>(659,779)</u> |
| Permits and fees: | | | |
| Register of deeds | | 66,699 | |
| Sheriff fees | | 30,400 | |
| Inspection fees | | 84,796 | |
| Tax collection fees | | 13,068 | |
| Franchise fees | | 10,432 | |
| Cultural Resources | | 2,119 | |
| Social Services | | 702 | |
| ABC taxes | | 813 | |
| Other Fees | | 2,435 | |
| Total | <u>227,650</u> | <u>211,464</u> | <u>(16,186)</u> |

Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------|-------------------|------------------------------------|
| Sales and Services: | | | |
| Jail fees | | 7,601 | |
| Landfill host fees | | 2,021,689 | |
| Emergency medical services fees | | 1,035,113 | |
| Non-emergency transport | | 377,444 | |
| Nutrition program income | | 7,371 | |
| Rental income | | 48,890 | |
| Other sales and services income | | 5,217 | |
| Total | <u>4,076,725</u> | <u>3,503,325</u> | <u>(573,400)</u> |
| Investment Earnings: Interest | <u>2,584</u> | <u>2,584</u> | <u>2,584</u> |
| Miscellaneous: | | | |
| Other taxes | | 3,732 | |
| FEMA reimbursement | | 281,917 | |
| Other revenues | | 121,520 | |
| Insurance claims reimbursement | | 69,543 | |
| Motor fuel refund | | 59,292 | |
| Hospital Lease Revenue | | 826,650 | |
| Utilities revenue | | 15,806 | |
| Indirect cost | | 258,775 | |
| Fine | | 57,618 | |
| Attorney fees - foreclosures | | 23,590 | |
| Total | <u>1,599,324</u> | <u>1,718,443</u> | <u>119,119</u> |
| TOTAL REVENUES | <u>26,082,481</u> | <u>25,768,393</u> | <u>(311,504)</u> |

Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------|-----------------|---------|------------------------------------|
| Expenditures: | | | |
| General Government | | | |
| Governing body | | | |
| Salaries and employee benefits | | 78,309 | |
| Other operating expenditures | | 82,884 | |
| Total | 191,645 | 161,193 | 30,452 |
| Administration | | | |
| Salaries and employee benefits | | 226,466 | |
| Other operating expenditures | | 23,274 | |
| Total | 355,408 | 249,740 | 105,668 |
| Tax administration | | | |
| Salaries and employee benefits | | 407,943 | |
| Other operating expenditures | | 182,120 | |
| Capital Outlay | | 58,500 | |
| Total | 675,147 | 648,563 | 26,584 |
| Information technology | | | |
| Salaries and employee benefits | | 189,379 | |
| Other operating expenditures | | 93,850 | |
| Capital outlay | | 5,961 | |
| Total | 291,969 | 289,190 | 2,779 |
| Legal | | | |
| Contracted services | 135,000 | 93,221 | 41,779 |
| Register of Deeds | | | |
| Salaries and employee benefits | | 202,468 | |
| Other operating expenditures | | 126,236 | |
| Capital Outlay | | 0 | |
| Total | 366,990 | 328,704 | 38,286 |
| Elections | | | |
| Salaries and employee benefits | | 164,550 | |
| Other operating expenditures | | 181,022 | |
| Total | 367,781 | 345,572 | 22,209 |
| Public Buildings | | | |
| Salaries and employee benefits | | 431,941 | |
| Other operating expenditures | | 196,414 | |
| Capital outlay | | 162,133 | |
| Total | 872,702 | 790,488 | 82,214 |
| Human Resources | | | |
| Salaries and employee benefits | | 68,328 | |
| Other operating expenditures | | 11,908 | |
| Total | 82,523 | 80,236 | 2,287 |

Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------|-----------------|-----------|------------------------------------|
| Finance | | | |
| Salaries and employee benefits | | 234,583 | |
| Other operating expenditures | | 46,236 | |
| Total | 282,101 | 280,819 | 1,282 |
| Court Facilities | | | |
| Other operating expenditures | | 90,183 | |
| Total | 96,580 | 90,183 | 6,397 |
| Appropriations | | | |
| Retiree health insurance | 400,000 | 338,563 | 61,437 |
| Total General Government | 4,117,846 | 3,696,472 | 421,374 |
| Public Safety | | | |
| Sheriff | | | |
| Salaries and employee benefits | | 1,704,106 | |
| Other operating expenditures | | 513,754 | |
| Capital outlay | | 149,790 | |
| Total | 2,900,906 | 2,367,650 | 533,256 |
| Communication | | | |
| Salaries and employee benefits | | 416,874 | |
| Other operating expenditures | | 30,469 | |
| Total | 584,716 | 447,343 | 137,373 |
| Emergency management | | | |
| Salaries and employee benefits | | 96,694 | |
| Other operating expenditures | | 431,116 | |
| Total | 555,010 | 527,810 | 27,200 |
| Emergency services | | | |
| Salaries and employee benefits | | 1,962,390 | |
| Other operating expenditures | | 347,397 | |
| Capital outlay | | 16,665 | |
| Total | 2,654,156 | 2,326,452 | 327,704 |
| Non-emergency transportation | | | |
| Salaries and employee benefits | | 438,546 | |
| Other operating expenditures | | 114,944 | |
| Capital outlay | | 2,855 | |
| Total | 679,915 | 556,345 | 123,570 |
| Planning and inspections | | | |
| Salaries and employee benefits | | 258,925 | |
| Other operating expenditures | | 27,948 | |
| Capital outlay | | 17,459 | |
| Total | 351,141 | 304,332 | 46,809 |

**Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|------------------|------------------|------------------------------------|
| Animal control | | | |
| Salaries and employee benefits | | 147,989 | |
| Other operating expenditures | | 21,707 | |
| Capital outlay | | 17,215 | |
| Total | <u>226,101</u> | <u>186,911</u> | <u>39,190</u> |
| Medical examiner | | | |
| Professional services | <u>27,000</u> | <u>27,000</u> | <u>-</u> |
| Pandemic Recovery Response | | | |
| Salaries and employee benefits | | 43,542 | |
| Other operating expenditures | | 52,406 | |
| Capital outlay | | 40,964 | |
| Total | <u>163,562</u> | <u>136,912</u> | <u>26,650</u> |
| Appropriations | | | |
| Bertie-Martin Regional Jail | | 1,147,006 | |
| Hurricane Isaias | | 90,989 | |
| Total | <u>1,251,006</u> | <u>1,237,995</u> | <u>13,011</u> |
| Total Public Safety | <u>9,393,513</u> | <u>8,118,750</u> | <u>1,274,763</u> |
| Economic and Physical Development | | | |
| Economic development | | | |
| Salaries and employee benefits | | 82,061 | |
| Other operating expenditures | | 34,955 | |
| Total | <u>130,439</u> | <u>117,016</u> | <u>13,423</u> |
| Cooperative extension | | | |
| Salaries and employee benefits | | 206,826 | |
| Other operating expenditures | | 31,979 | |
| Capital outlay | | 10,886 | |
| Total | <u>323,909</u> | <u>249,691</u> | <u>74,218</u> |
| Soil conservation | | | |
| Salaries and employee benefits | | 74,321 | |
| Other operating expenditures | | 30,983 | |
| Total | <u>238,076</u> | <u>105,304</u> | <u>132,772</u> |
| Total Economic and Physical Development | <u>692,424</u> | <u>472,011</u> | <u>220,413</u> |
| Human Services | | | |
| Health department | | | |
| Administration | <u>106,382</u> | <u>105,938</u> | <u>444</u> |
| Veteran services | | | |
| Salaries and employee benefits | | 52,988 | |
| Other operating expenditures | | 2,643 | |
| Total | <u>56,809</u> | <u>55,631</u> | <u>1,178</u> |

Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | Final Budget | Actual | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| Aid to aging and nutrition | | | |
| Salaries and employee benefits | | 220,802 | |
| Other operating expenditures | | 262,974 | |
| Capital outlay | | 9,095 | |
| Total | <u>619,947</u> | <u>492,871</u> | <u>127,076</u> |
| Appropriations | | | |
| Indigent care | | 120,000 | |
| Mental health | | 44,590 | |
| Mental health - ABC 5¢ | | 4,800 | |
| Choanoke Public Transit Authority | | 10,000 | |
| Total | <u>179,390</u> | <u>179,390</u> | <u>-</u> |
| Total Human Services | <u>962,528</u> | <u>833,830</u> | <u>128,698</u> |
| Environmental Protection | | | |
| Tire disposal | | 39,918 | |
| Convenience centers | | 460,188 | |
| Contracted services | | 6,230 | |
| Total Environmental Protection | <u>509,188</u> | <u>506,336</u> | <u>2,852</u> |
| Education | | | |
| Public schools current expense | | 3,319,353 | |
| Public schools capital outlay | | 374,992 | |
| Martin Community College current expense | | 59,275 | |
| Martin Community College capital outlay | | 31,500 | |
| Roanoke Chowan Community College current expense | | 55,000 | |
| Total Education | <u>3,840,128</u> | <u>3,840,120</u> | <u>8</u> |
| Cultural and Recreational | | | |
| Parks and recreation | | | |
| Salaries and employee benefits | | 155,152 | |
| Other operating expenditures | | 55,337 | |
| Capital outlay | | 7,174 | |
| Total | <u>315,232</u> | <u>217,663</u> | <u>97,569</u> |
| Library | | | |
| Other operating expenditures | <u>40,000</u> | <u>35,438</u> | <u>4,562</u> |
| Total Cultural and Recreational | <u>355,232</u> | <u>253,101</u> | <u>102,131</u> |

**Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

| | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------|------------------|------------------|------------------------------------|
| Social Services | | | |
| Administration | | | |
| Salaries and employee benefits | | 2,247,283 | |
| Other operating expenditures | | 221,494 | |
| Capital outlay | | 24,900 | |
| Total | <u>3,005,856</u> | <u>2,493,677</u> | <u>512,179</u> |
| Programs | | | |
| Public assistance | | 102 | |
| SAA | | 208,362 | |
| State Foster care | | 9,114 | |
| Medicaid | | 4,290 | |
| Legal services | | 108,966 | |
| Chore services | | 42,934 | |
| Adoption assistance | | 23,983 | |
| Transport of patients and other | | 103,165 | |
| Work First | | 461 | |
| AFDC - Foster Care | | 8,208 | |
| AFDC - Local | | 400 | |
| Crisis Intervention | | 138,696 | |
| Aid to blind | | 1,905 | |
| Low Income Home Energy | | 205,887 | |
| DNA testing | | 826 | |
| Child support | | 460,160 | |
| Adult Protective Services | | 2,685 | |
| Child Protective Services | | 11,309 | |
| Pandemic LIEAP | | 152,500 | |
| Total | <u>1,723,542</u> | <u>1,483,953</u> | <u>239,589</u> |
| Total Social Services | <u>4,729,398</u> | <u>3,977,630</u> | <u>751,768</u> |
| Debt Services | | | |
| Principal retirement | | 2,127,893 | |
| Interest and fees | | 952,199 | |
| Total | <u>3,080,095</u> | <u>3,080,092</u> | <u>3</u> |

Bertie County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|---------------------|------------------------------------|
| Special Appropriations | | | |
| Arts Council | | 3,000 | |
| Airport | | 22,000 | |
| Mideast Commission | | 6,863 | |
| Roanoke River Partners | | 5,000 | |
| Forest service | | 109,027 | |
| Historical group | | 15,000 | |
| Bertie County YMCA | | 20,000 | |
| Library | | 140,973 | |
| CADA | | 13,000 | |
| CBA task force | | 6,000 | |
| Roanoke River Basin | | 2,062 | |
| Windsor Area Chamber | | 8,000 | |
| Food Bank of Albemarle | | 2,500 | |
| Partnership for the Sounds | | 10,000 | |
| Roanoke-Chowan Safe | | 4,000 | |
| Rural general public transportation | | 31,462 | |
| Highway 17 Association | | 4,000 | |
| Three Rivers Healthy Carolina | | 250 | |
| Children Matters | | 34,400 | |
| Humane Society | | 2,000 | |
| Vocation Jobs/Education | | 36,300 | |
| Second Chance Counts | | 27,500 | |
| Relay for Life | | 2,000 | |
| Schools-fines and forefitures | | 57,618 | |
| Resolutions Teen Court | | 24,900 | |
| BMRJ Feasibility Study | | 12,459 | |
| Total Special Appropriations | <u>654,965</u> | <u>600,314</u> | <u>54,651</u> |
| | | | |
| TOTAL EXPENDITURES | <u>28,335,317</u> | <u>25,378,656</u> | <u>2,956,661</u> |
| | | | |
| Revenues over (under) expenditures | (2,252,836) | 389,737 | (3,268,165) |
| | | | |
| Other financing sources (uses): | | | |
| Transfers from other funds: | | | |
| Capital Reserve Schools Fund | | 949,336 | |
| Transfers to other funds: | | | |
| Tax Revaluation Fund | | (80,000) | |
| Library Co-Op Construction Fund | | (120,000) | |
| Water Access - Phase 1 Fund | | (52,500) | |
| Total other financing sources and (uses) | <u>2,211,124</u> | <u>696,836</u> | <u>1,514,288</u> |
| | | | |
| Revenues and other sources over (under) expenditures and other uses | <u>(41,712)</u> | <u>1,086,573</u> | <u>(1,753,877)</u> |
| | | | |
| Appropriated fund balance | - | - | - |
| | | | |
| Net change in fund balance | \$ <u>(41,712)</u> | 1,086,573 | \$ <u>1,128,285</u> |
| | | | |
| Fund balance - beginning | | 4,149,753 | |
| Fund balance - ending | | <u>\$ 5,236,326</u> | |

Bertie County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|---|-----------------|-------------------|------------------------------------|
| | Final Budget | Actual | |
| Expenditures | | | |
| Current: | | | |
| Revaluation | \$ 80,000 | \$ - | \$ 80,000 |
| Total expenditures | <u>80,000</u> | <u>-</u> | <u>80,000</u> |
| Revenues Over (Under) Expenditures | (80,000) | - | 80,000 |
| Other Financing Sources | | | |
| Transfers in - General Fund | 80,000 | 80,000 | - |
| Total other financing sources | <u>80,000</u> | <u>80,000</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures | <u>-</u> | 80,000 | <u>80,000</u> |
| Fund balance, beginning | | 64,317 | |
| Fund balance, ending | | <u>\$ 144,317</u> | |

Bertie County, North Carolina
Capital Reserve - Schools Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | 2021 | | Variance Favorable (Unfavorable) |
|---|--------------------|------------------|--|
| | Final Budget | Actual | |
| Revenues: | | | |
| Investment earnings | \$ 1,000 | \$ 74 | \$ (926) |
| Lottery funds | 300,000 | 300,000 | - |
| QSCB interest | - | 734,499 | 734,499 |
| Total Revenues | <u>301,000</u> | <u>1,034,573</u> | <u>733,573</u> |
| Other Financing Sources (Uses): | | | |
| Transfer out - General Fund | <u>(2,805,336)</u> | <u>(949,336)</u> | <u>1,856,000</u> |
| Total transfers | <u>(2,805,336)</u> | <u>(949,336)</u> | <u>1,856,000</u> |
| Revenues and Other Sources Over (Under) Expenditures | (2,504,336) | 85,237 | 2,589,573 |
| Appropriated fund balance | <u>2,504,336</u> | <u>-</u> | <u>(2,504,336)</u> |
| Revenues, other sources (uses), and appropriated fund balance over (under) expenditures | \$ <u>-</u> | 85,237 | \$ <u>85,237</u> |
| Fund Balance, beginning | | <u>(69,879)</u> | |
| Fund Balance, ending | | <u>\$ 15,358</u> | |

Bertie County, North Carolina
SLFRF/ARP Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|-----------------------------------|--------------------------|-------------|---------------------|---------------------|---------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| Grants | \$ 2,000,000 | \$ - | \$ 1,840,117 | \$ 1,840,117 | \$ (159,883) |
| Total Revenues | <u>2,000,000</u> | <u>-</u> | <u>1,840,117</u> | <u>1,840,117</u> | <u>(159,883)</u> |
| Expenditures: | | | | | |
| Economic and physical development | <u>2,000,000</u> | <u>-</u> | <u>584,964</u> | <u>584,964</u> | <u>1,415,036</u> |
| Total Expenditures | <u>2,000,000</u> | <u>-</u> | <u>584,964</u> | <u>584,964</u> | <u>1,415,036</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | 1,255,153 | \$ <u>1,255,153</u> | \$ <u>1,255,153</u> |
| Fund Balance, beginning | | | - | | |
| Fund Balance, ending | | | \$ <u>1,255,153</u> | | |

**Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021**

| | Special Revenue Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|--------------------------|---|
| Assets: | | | |
| Cash and cash equivalents | \$ 183,572 | \$ 23,205 | \$ 206,777 |
| Accounts receivable, net | 18,025 | 456,798 | 474,823 |
| Total Assets | <u>\$ 201,597</u> | <u>\$ 480,003</u> | <u>\$ 681,600</u> |
| Liabilities and Fund Balances: | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 788 | \$ 91,082 | \$ 91,870 |
| Advance from other governments | - | - | - |
| Due from other funds | - | 305,029 | 305,029 |
| Total liabilities | <u>788</u> | <u>396,111</u> | <u>396,899</u> |
| Fund Balances: | | | |
| Restricted | | | |
| Stabilization by State Statute | 18,025 | 456,798 | 474,823 |
| Unassigned | <u>182,784</u> | <u>(372,906)</u> | <u>(190,122)</u> |
| Total fund balances | <u>200,809</u> | <u>83,892</u> | <u>284,701</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 201,597</u> | <u>\$ 480,003</u> | <u>\$ 681,600</u> |

Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

| | Special Revenue Funds | | | | | Total Nonmajor Special Revenue Funds | Capital Project Funds | | | | | | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|----------------------------------|------------------------------|----------------------------|----------------------------------|----------------------------|--|---|-------------------------------|--------------------------------|----------------------|---------------------------|------------------------------|---|---|
| | Emergency Telephone System | Representative Payee Fund | Pest Management Fund | Fines and Forfeitures Fund | Coronavirus Relief Fund | | Library Co-Op Extension Building Fund | Library Co-Op Construction | Water Access - Phase 1 Fund | EMS Building Fund | Disaster Recovery Fund | Capital Project - Schools | | |
| Assets: | | | | | | | | | | | | | | |
| Cash and investments | \$ 169,823 | \$ 7,116 | \$ 7,633 | \$ - | \$ - | \$ 183,572 | \$ 20,282 | \$ - | \$ - | \$ - | \$ 2,923 | \$ 23,205 | \$ 206,777 | |
| Accounts receivable (net) | 18,025 | - | - | - | - | 18,025 | - | 352,688 | - | 104,110 | - | 456,798 | 474,823 | |
| Total Assets | <u>\$ 186,848</u> | <u>\$ 7,116</u> | <u>\$ 7,633</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 201,597</u> | <u>\$ 20,282</u> | <u>\$ 352,688</u> | <u>\$ -</u> | <u>\$ 104,110</u> | <u>\$ 2,923</u> | <u>\$ 480,003</u> | <u>\$ 681,600</u> | |
| Liabilities: | | | | | | | | | | | | | | |
| Accounts payable | \$ 788 | \$ - | \$ - | \$ - | \$ - | \$ 788 | \$ - | \$ 67,459 | \$ 20,700 | \$ - | \$ 2,923 | \$ 91,082 | \$ 91,870 | |
| Advance from other governments | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Due to other funds | - | - | - | - | - | - | - | 168,132 | 52,350 | - | 84,547 | 305,029 | 305,029 | |
| Total liabilities | <u>788</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>788</u> | <u>-</u> | <u>235,591</u> | <u>73,050</u> | <u>-</u> | <u>84,547</u> | <u>396,111</u> | <u>396,899</u> | |
| Fund Balances: | | | | | | | | | | | | | | |
| Restricted | | | | | | | | | | | | | | |
| Stabilization by State Statute | 18,025 | - | - | - | - | 18,025 | - | 352,688 | - | 104,110 | - | 456,798 | 474,823 | |
| Unassigned | 168,035 | 7,116 | 7,633 | - | - | 182,784 | 20,282 | (235,591) | (73,050) | - | (84,547) | (372,906) | (190,122) | |
| Total fund balances | <u>186,060</u> | <u>7,116</u> | <u>7,633</u> | <u>-</u> | <u>-</u> | <u>200,809</u> | <u>20,282</u> | <u>117,097</u> | <u>(73,050)</u> | <u>104,110</u> | <u>(84,547)</u> | <u>83,892</u> | <u>284,701</u> | |
| Total liabilities and fund balances | <u>\$ 186,848</u> | <u>\$ 7,116</u> | <u>\$ 7,633</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 201,597</u> | <u>\$ 20,282</u> | <u>\$ 352,688</u> | <u>\$ -</u> | <u>\$ 104,110</u> | <u>\$ 2,923</u> | <u>\$ 480,003</u> | <u>\$ 681,600</u> | |

Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

| | Special Revenue Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|---|--------------------------|--------------------------|---|
| Revenues: | | | |
| Investment earnings | \$ 548 | \$ - | \$ 548 |
| Intergovernmental revenues | 1,202,898 | 1,939,553 | 3,142,451 |
| Miscellaneous | 51,662 | 23,525 | 75,187 |
| Total revenues | <u>1,255,108</u> | <u>1,963,078</u> | <u>3,218,186</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 1,136,503 | - | 1,136,503 |
| General government | 60,573 | - | 60,573 |
| Economic and physical development | - | 2,249,020 | 2,249,020 |
| Total Expenditures | <u>1,197,076</u> | <u>2,249,020</u> | <u>3,446,096</u> |
| Revenues Over (Under) Expenditures | <u>58,032</u> | <u>(285,942)</u> | <u>(227,910)</u> |
| Transfer from General Fund | <u>-</u> | <u>172,500</u> | <u>172,500</u> |
| Net change in Fund Balance | 58,032 | (113,442) | (55,410) |
| Fund balances: | | | |
| Fund balance, beginning as previously reported | 126,539 | 197,334 | 323,873 |
| Prior period restatement - change in accounting principle | 16,238 | - | 16,238 |
| Fund balance, beginning restated | 142,777 | 197,334 | 340,111 |
| End of year, June 30 | <u>\$ 200,809</u> | <u>\$ 83,892</u> | <u>\$ 284,701</u> |

Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

| | Special Revenue Funds | | | | | Total Nonmajor Special Revenue Funds | Capital Project Funds | | | | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds | |
|--|----------------------------------|------------------------------|----------------------------|----------------------------------|----------------------------|--|---|---------------------------------------|--------------------------------|----------------------|---|---|---------------------------|
| | Emergency Telephone System | Representative Payee Fund | Pest Management Fund | Fines and Forfeitures Fund | Coronavirus Relief Fund | | Library Co-Op Extension Building Fund | Library Co-Op Construction Fund | Water Access - Phase 1 Fund | EMS Building Fund | | | Disaster Recovery Fund |
| Revenues: | | | | | | | | | | | | | |
| Investment earnings | \$ 78 | \$ - | \$ - | \$ - | \$ 470 | \$ 548 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 548 |
| Intergovernmental revenues | 216,304 | 2,980 | - | 57,618 | 925,996 | 1,202,898 | - | 1,939,553 | - | - | - | 1,939,553 | 3,142,451 |
| Miscellaneous | 42,563 | - | 9,099 | - | - | 51,662 | - | 23,525 | - | - | - | 23,525 | 75,187 |
| Total revenues | <u>258,945</u> | <u>2,980</u> | <u>9,099</u> | <u>57,618</u> | <u>926,466</u> | <u>1,255,108</u> | <u>-</u> | <u>1,963,078</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,963,078</u> | <u>3,218,186</u> |
| Expenditures: | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | |
| Public safety | 199,424 | - | 10,613 | - | 926,466 | 1,136,503 | - | - | - | - | - | - | 1,136,503 |
| General government | - | 2,955 | - | 57,618 | - | 60,573 | - | - | - | - | - | - | 60,573 |
| Economic and physical development | - | - | - | - | - | - | - | 2,123,470 | 125,550 | - | - | - | 2,249,020 |
| Total Expenditures | <u>199,424</u> | <u>2,955</u> | <u>10,613</u> | <u>57,618</u> | <u>926,466</u> | <u>1,197,076</u> | <u>-</u> | <u>2,123,470</u> | <u>125,550</u> | <u>-</u> | <u>-</u> | <u>2,249,020</u> | <u>3,446,096</u> |
| Excess (deficiency) of revenues over (under) expenditures | 59,521 | 25 | (1,514) | - | - | 58,032 | - | (160,392) | (125,550) | - | - | (285,942) | (227,910) |
| Transfer from General Fund | - | - | - | - | - | - | - | 120,000 | 52,500 | - | - | 172,500 | 172,500 |
| Net change in Fund Balance | 59,521 | 25 | (1,514) | - | - | 58,032 | - | (40,392) | (73,050) | - | - | (113,442) | (55,410) |
| Fund balance, beginning as previously reported | 126,539 | - | - | - | - | 126,539 | 20,282 | 157,489 | - | 104,110 | (84,547) | 197,334 | 323,873 |
| Prior period restatement - change in accounting principle | - | 7,091 | 9,147 | - | - | 16,238 | - | - | - | - | - | - | 16,238 |
| Fund balance, beginning restated | <u>126,539</u> | <u>7,091</u> | <u>9,147</u> | <u>-</u> | <u>-</u> | <u>142,777</u> | <u>20,282</u> | <u>157,489</u> | <u>-</u> | <u>104,110</u> | <u>(84,547)</u> | <u>197,334</u> | <u>340,111</u> |
| Fund balance, ending | <u>\$ 186,060</u> | <u>\$ 7,116</u> | <u>\$ 7,633</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 200,809</u> | <u>\$ 20,282</u> | <u>\$ 117,097</u> | <u>\$ (73,050)</u> | <u>\$ 104,110</u> | <u>\$ (84,547)</u> | <u>\$ 83,892</u> | <u>\$ 284,701</u> |

Bertie County, North Carolina
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2021

| | | Municipal Tax Fund |
|---|----|-----------------------|
| Assets: | | |
| Taxes Receivable (Net) | \$ | 75,237 |
| Total Assets | | 75,237 |
| Liabilities and Fund Balances: | | |
| Liabilities: | | |
| Accounts Payable and Accrued | | |
| Liabilities | | 4,342 |
| Total Liabilities | | 4,342 |
| Net Position | | |
| Restricted for: | | |
| Individuals, Organizations, and | | |
| Other Governments | | 70,895 |
| Total Net Position | \$ | 70,895 |

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Bertie County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|------------------------------------|-----------------|-------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Investment earnings | \$ 500 | \$ 78 | \$ (422) |
| Intergovernmental revenues | 216,304 | 216,304 | - |
| Miscellaneous | - | 42,563 | 42,563 |
| Total Revenues | <u>216,804</u> | <u>258,945</u> | <u>42,141</u> |
| Expenditures | | | |
| Current: | | | |
| Public safety | \$ 278,917 | \$ 199,424 | \$ 79,493 |
| Total Expenditures | <u>278,917</u> | <u>199,424</u> | <u>79,493</u> |
| Appropriated fund balance | <u>62,113</u> | - | <u>(62,113)</u> |
| Revenues Over (Under) Expenditures | <u>\$ -</u> | 59,521 | <u>\$ 59,521</u> |
| Fund balance, beginning | | 126,539 | |
| Fund balance, ending | | <u>\$ 186,060</u> | |

Bertie County, North Carolina
Coronavirus Relief Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|------------------------------------|-----------------|----------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Interest earned | \$ - | \$ 470 | \$ 470 |
| Intergovernmental revenues | - | 925,996 | 925,996 |
| Total Revenues | <u>-</u> | <u>926,466</u> | <u>926,466</u> |
| Expenditures | | | |
| Current: | | | |
| Public safety | \$ - | \$ 926,466 | \$ (926,466) |
| Total Expenditures | <u>-</u> | <u>926,466</u> | <u>(926,466)</u> |
| Revenues Over (Under) Expenditures | <u>\$ -</u> | - | <u>\$ -</u> |
| Fund balance, beginning | | - | |
| Fund balance, ending | | <u>\$ -</u> | |

Bertie County, North Carolina
Statement of Changes in Fiduciary Net Position
Custodial Fund
June 30, 2021

| | Municipal Tax Fund |
|--|-----------------------|
| Additions: | |
| Ad Valorem Taxes for Other Governments | \$ 786,874 |
| Total Additions | 786,874 |
| Deductions: | |
| Tax Distributions to Other Governments | 716,291 |
| Total Deductions | 716,291 |
| Net Increase (Decrease) in Fiduciary Net Position | 70,583 |
| Net Position, Beginning, as Previously Reported | - |
| Prior Period Restatement - Change in Accounting Principle | 312 |
| Net Position, Beginning, as Restated | 312 |
| Net Position, Ending | \$ 70,895 |

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Bertie County, North Carolina
Library/Co-Op Extention Building Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|-----------------------------------|--------------------------|------------------|------------------|------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Golden Leaf Grant | \$ 500,000 | \$ 176,061 | \$ - | \$ 176,061 | \$ (323,939) |
| Donations | 120,000 | 136,387 | - | 136,387 | 16,387 |
| Total Revenues | <u>620,000</u> | <u>312,448</u> | <u>-</u> | <u>312,448</u> | <u>(307,552)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 620,000 | 292,166 | - | 292,166 | 327,834 |
| Total Expenditures | <u>620,000</u> | <u>292,166</u> | <u>-</u> | <u>292,166</u> | <u>327,834</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>20,282</u> | - | \$ <u>20,282</u> | \$ <u>20,282</u> |
| Fund Balance, beginning | | | 20,282 | | |
| Fund Balance, ending | | | <u>\$ 20,282</u> | | |

Bertie County, North Carolina
Library/Co-Op Construction Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|--|--------------------------|-------------------|--------------------------|-------------------|---------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Golden Leaf Grant | \$ 4,125,768 | \$ 2,136,327 | \$ - | \$ 2,136,327 | \$ (1,989,441) |
| Donations | 420,282 | - | - | - | (420,282) |
| FCS Grant | 5,000 | 5,000 | 1,939,553 | 1,944,553 | 1,939,553 |
| Miscellaneous | - | 1,519 | 23,525 | 25,044 | 25,044 |
| Total Revenues | <u>4,551,050</u> | <u>2,142,846</u> | <u>1,963,078</u> | <u>4,105,924</u> | <u>(445,126)</u> |
| Expenditures: | | | | | |
| Economic and physical development | <u>4,551,050</u> | <u>1,985,357</u> | <u>2,123,470</u> | <u>4,108,827</u> | <u>442,223</u> |
| Total Expenditures | <u>4,551,050</u> | <u>1,985,357</u> | <u>2,123,470</u> | <u>4,108,827</u> | <u>442,223</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfer from General Fund | - | - | 120,000 | 120,000 | 120,000 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>120,000</u> | <u>120,000</u> | <u>120,000</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>157,489</u> | (40,392) | \$ <u>117,097</u> | \$ <u>117,097</u> |
| Fund Balance, beginning | | | <u>157,489</u> | | |
| Fund Balance, ending | | | \$ <u><u>117,097</u></u> | | |

Bertie County, North Carolina
EMS Building Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|-----------------------------------|--------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Intergovernmental revenues | \$ 704,299 | \$ 801,877 | \$ - | \$ 801,877 | \$ 97,578 |
| Total Revenues | <u>704,299</u> | <u>801,877</u> | <u>-</u> | <u>801,877</u> | <u>97,578</u> |
| Expenditures: | | | | | |
| Economic and physical development | 704,299 | 697,766 | - | 697,766 | 6,533 |
| Total Expenditures | <u>704,299</u> | <u>697,766</u> | <u>-</u> | <u>697,766</u> | <u>6,533</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>104,111</u> | - | \$ <u>104,111</u> | \$ <u>104,111</u> |
| Fund Balance, beginning | | | 104,110 | | |
| Fund Balance, ending | | | \$ <u>104,110</u> | | |

**Bertie County, North Carolina
Distaster Recovery 17 Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2021**

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|-----------------------------------|--------------------------|--------------------|-----------------|--------------------|---------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| State grant | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ (1,000,000) |
| Total Revenues | <u>1,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,000,000)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 1,000,000 | 84,547 | - | 84,547 | 915,453 |
| Total Expenditures | <u>1,000,000</u> | <u>84,547</u> | <u>-</u> | <u>84,547</u> | <u>915,453</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>(84,547)</u> | - | \$ <u>(84,547)</u> | \$ <u>(84,547)</u> |
| Fund Balance, beginning | | | (84,547) | | |
| Fund Balance, ending | | | <u>(84,547)</u> | | |

PROPRIETARY FUNDS

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

**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, 2021**

| | 2021 | | Variance Positive (Negative) |
|---|------------------|------------------|------------------------------------|
| | Final Budget | Actual | |
| Operating Revenues: | | | |
| Charges for services | | | |
| Sewage and garbage collection fees | \$ | \$ 7,041 | \$ |
| Tap fees | | 51,445 | |
| Service fees | | 150 | |
| Connetion fees | | 18,277 | |
| Reconnection fees | | 14,927 | |
| Penalties | | 27,062 | |
| Sale of water | | 2,599,393 | |
| Other operating revenue | | 17,695 | |
| Total Operating Revenues | <u>2,836,159</u> | <u>2,735,990</u> | <u>(100,169)</u> |
| Nonoperating Revenues: | | | |
| Investment earnings | | 1,027 | |
| Total Nonoperating Revenues | <u>10,000</u> | <u>1,027</u> | <u>(8,973)</u> |
| Total Revenues | <u>2,846,159</u> | <u>2,737,017</u> | <u>(109,142)</u> |
| Administration Expenditures: | | | |
| Salaries and employment benefits | | 564,472 | |
| Other administration expenditures | | 1,157,269 | |
| Total Administration Expenditures | <u>1,725,081</u> | <u>1,721,741</u> | <u>3,340</u> |
| Operating Expenditures: | | | |
| Repairs and Maintenance | | 38,711 | |
| Other operating expenditures | | 30,613 | |
| Total Operating Expenditures | <u>90,192</u> | <u>69,324</u> | <u>20,868</u> |
| Debt service: | | | |
| Principal | | 608,700 | |
| Interest, fees and amortization | | 448,276 | |
| Total Operating Revenues | <u>1,057,386</u> | <u>1,056,976</u> | <u>410</u> |
| Capital Outlay | <u>200,000</u> | <u>5,738</u> | <u>194,262</u> |
| Total Expenditures | 3,072,659 | 2,853,779 | 218,880 |
| Revenues Over (Under) Expenditures | (226,500) | (116,762) | 109,738 |
| Other Financing Sources (Uses): | | | |
| Total Other Financing Sources (Uses) | <u>226,500</u> | <u>35,089</u> | <u>191,411</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures | \$ <u>-</u> | (81,673) \$ | <u>(81,673)</u> |

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, 2021

| | 2021 | | Variance Positive (Negative) |
|--|-----------------|--------------|------------------------------------|
| | Final Budget | Actual | |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Revenues over (under) expenditures | | (81,673) | |
| Reconciling items: | | | |
| Depreciation and amortization | | (928,624) | |
| Capital outlay | | 5,738 | |
| Debt proceeds | | (35,089) | |
| Debt principal | | 608,700 | |
| Capital contributions | | 169,753 | |
| Interest earnings | | 1,027 | |
| Increase (decrease) in deferred outflows of resources - pensions and OPEB | | 11,723 | |
| (Increase) decrease in net pension liability | | (61,324) | |
| (Increase) decrease in deferred inflows of resources - pensions and OPEB | | (5,530) | |
| (Increase) decrease in net OPEB liability | | (52,475) | |
| (Increase) decrease in accrued vacation payable | | 5,356 | |
| Change in net position | | \$ (362,418) | |

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, 2021

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|-------------------|--------------|-------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Tax refunds | \$ - | \$ 11,211 | \$ - | \$ 11,211 | \$ 11,211 |
| Total Revenues | <u>-</u> | <u>11,211</u> | <u>-</u> | <u>11,211</u> | <u>11,211</u> |
| Expenditures: | | | | | |
| Construction | 878,933 | 835,974 | - | 835,974 | 42,959 |
| Engineering | 379,500 | 345,358 | - | 345,358 | 34,142 |
| Acquisition | 5,000 | - | - | - | 5,000 |
| Administration | 1,500 | - | - | - | 1,500 |
| Legal | 6,100 | 374 | - | 374 | 5,726 |
| Miscellaneous | 29,287 | 25,921 | - | 25,921 | 3,366 |
| Contingency | 9,875 | - | - | - | 9,875 |
| Total Expenditures | <u>1,310,195</u> | <u>1,207,627</u> | <u>-</u> | <u>1,207,627</u> | <u>102,568</u> |
| Revenues over (under) expenditures | (1,310,195) | (1,196,416) | - | (1,196,416) | 113,779 |
| Other Financing Sources (Uses): | | | | | |
| NC DWSRR Loan | 1,283,408 | 1,161,946 | - | 1,161,946 | (121,462) |
| Transfer from Water | 26,787 | 26,787 | - | 26,787 | - |
| Total Other Financing Sources (Uses) | <u>1,310,195</u> | <u>1,188,733</u> | <u>-</u> | <u>1,188,733</u> | <u>(121,462)</u> |
| Revenues and other sources over (under) expenditures | \$ <u>-</u> | \$ <u>(7,683)</u> | \$ <u>-</u> | \$ <u>(7,683)</u> | \$ <u>(7,683)</u> |

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, 2021

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|------------------|--------------|------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants | \$ 1,074,000 | \$ 1,074,000 | \$ - | \$ 1,074,000 | \$ - |
| Tax refunds | 50,290 | 50,290 | - | 50,290 | - |
| Total Revenues | <u>1,124,290</u> | <u>1,124,290</u> | <u>-</u> | <u>1,124,290</u> | <u>-</u> |
| Expenditures: | | | | | |
| Construction | 2,628,447 | 2,597,797 | - | 2,597,797 | 30,650 |
| Engineering | 437,000 | 436,957 | - | 436,957 | 43 |
| Acquisition | - | - | - | - | - |
| Administration | 6,500 | 6,366 | - | 6,366 | 134 |
| Legal | 5,892 | 4,177 | - | 4,177 | 1,715 |
| Miscellaneous | 25,874 | 22,881 | - | 22,881 | 2,993 |
| Contingency | - | - | - | - | - |
| Interest | 31,562 | 31,561 | - | 31,561 | 1 |
| Total Expenditures | <u>3,135,275</u> | <u>3,099,739</u> | <u>-</u> | <u>3,099,739</u> | <u>35,536</u> |
| Revenues over (under) expenditures | (2,010,985) | (1,975,449) | - | (1,975,449) | 35,536 |
| Other Financing Sources (Uses): | | | | | |
| NC DWSRR Loan | 1,717,000 | 1,714,179 | - | 1,714,179 | (2,821) |
| Transfer from Water | 293,985 | 293,985 | - | 293,985 | - |
| Interest earned on investment | - | 347 | - | 347 | 347 |
| Total Other Financing Sources (Uses) | <u>2,010,985</u> | <u>2,008,511</u> | <u>-</u> | <u>2,008,511</u> | <u>(2,474)</u> |
| Revenues and other sources over (under) expenditures | \$ <u>-</u> | \$ <u>33,062</u> | <u>-</u> | \$ <u>33,062</u> | \$ <u>33,062</u> |

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, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|--|--------------------------|------------------|--------------|------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants | \$ 72,262 | \$ 72,263 | \$ - | \$ 72,263 | \$ 1 |
| Tax refunds | - | 1,052 | - | 1,052 | 1,052 |
| Total Revenues | <u>72,262</u> | <u>73,315</u> | <u>-</u> | <u>73,315</u> | <u>1,053</u> |
| Expenditures: | | | | | |
| Construction | 167,926 | 131,781 | - | 131,781 | 36,145 |
| Engineering | 29,400 | 29,400 | - | 29,400 | - |
| Miscellaneous | 394 | 394 | - | 394 | - |
| Total Expenditures | <u>197,720</u> | <u>161,575</u> | <u>-</u> | <u>161,575</u> | <u>36,145</u> |
| Revenues over (under) expenditures | (125,458) | (88,260) | - | (88,260) | 37,198 |
| Other Financing Sources (Uses): | | | | | |
| Transfer from Water | 125,458 | 125,458 | - | 125,458 | - |
| Total Other Financing Sources (Uses) | <u>125,458</u> | <u>125,458</u> | <u>-</u> | <u>125,458</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures | \$ <u>-</u> | \$ <u>37,198</u> | \$ <u>-</u> | \$ <u>37,198</u> | \$ <u>37,198</u> |

Bertie County, North Carolina
Drinking Water State Revolving Fund - Roxobel Merger
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|---------------------|--------------|---------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants | \$ 500,000 | \$ 255,447 | \$ - | \$ 255,447 | \$ (244,553) |
| Tax refunds | - | 24,772 | - | 24,772 | 24,772 |
| Total Revenues | <u>500,000</u> | <u>280,219</u> | <u>-</u> | <u>280,219</u> | <u>(219,781)</u> |
| Expenditures: | | | | | |
| Construction | 1,490,108 | 1,415,945 | - | 1,415,945 | 74,163 |
| Engineering | 388,500 | 388,500 | - | 388,500 | - |
| Acquisition | 16,278 | 16,278 | - | 16,278 | - |
| Legal | 6,376 | 6,376 | - | 6,376 | - |
| Miscellaneous | 39,895 | 39,895 | - | 39,895 | - |
| Contingency | 35,203 | - | - | - | 35,203 |
| Total Expenditures | <u>1,976,360</u> | <u>1,866,994</u> | <u>-</u> | <u>1,866,994</u> | <u>109,366</u> |
| Revenues over (under) expenditures | (1,476,360) | (1,586,775) | - | (1,586,775) | (110,415) |
| Other Financing Sources (Uses): | | | | | |
| NC DWSRR Loan | 1,437,608 | 1,437,608 | - | 1,437,608 | - |
| Transfer from Water | 38,752 | 38,752 | - | 38,752 | - |
| Total Other Financing Sources (Uses) | <u>1,476,360</u> | <u>1,476,360</u> | <u>-</u> | <u>1,476,360</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures | \$ <u>-</u> | \$ <u>(110,415)</u> | \$ <u>-</u> | \$ <u>(110,415)</u> | \$ <u>(110,415)</u> |

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, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|---|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants - H-AIA-D-2017-0062-2347- 536919 | \$ 150,000 | \$ 62,653 | \$ 30,374 | \$ 93,027 | \$ (56,973) |
| Total Revenues | <u>150,000</u> | <u>62,653</u> | <u>30,374</u> | <u>93,027</u> | <u>(56,973)</u> |
| Expenditures: | | | | | |
| Engineering | 155,250 | 76,422 | 32,677 | 109,099 | 46,151 |
| Administration | <u>2,250</u> | <u>1,263</u> | <u>-</u> | <u>1,263</u> | <u>987</u> |
| Total Expenditures | <u>157,500</u> | <u>77,685</u> | <u>32,677</u> | <u>110,362</u> | <u>47,138</u> |
| Revenues over (under) expenditures | (7,500) | (15,032) | (2,303) | (17,335) | (9,835) |
| Other Financing Sources (Uses): | | | | | |
| Transfer from Water | <u>7,500</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>7,500</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures | \$ <u><u>-</u></u> | \$ <u><u>(7,532)</u></u> | \$ <u><u>(2,303)</u></u> | \$ <u><u>(9,835)</u></u> | \$ <u><u>(9,835)</u></u> |

Bertie County, North Carolina
Asset Inventory - Phase III Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------|------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants | \$ 150,000 | \$ 124,863 | \$ 17,745 | \$ 142,608 | \$ (7,392) |
| Total Revenues | <u>150,000</u> | <u>124,863</u> | <u>17,745</u> | <u>142,608</u> | <u>(7,392)</u> |
| Expenditures: | | | | | |
| Engineering | 155,250 | 130,113 | 17,745 | 147,858 | 7,392 |
| Administration | <u>2,250</u> | <u>2,250</u> | <u>-</u> | <u>2,250</u> | <u>-</u> |
| Total Expenditures | <u>157,500</u> | <u>132,363</u> | <u>17,745</u> | <u>150,108</u> | <u>7,392</u> |
| Revenues over (under) expenditures | (7,500) | (7,500) | - | (7,500) | - |
| Other Financing Sources (Uses): | | | | | |
| Transfer from Water | <u>7,500</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>7,500</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

Bertie County, North Carolina
Asset Inventory - Phase IV Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|---|--------------------------|---------------|--------------|------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants | \$ 88,800 | \$ 78,413 | \$ - | \$ 78,413 | \$ (10,387) |
| Total Revenues | <u>88,800</u> | <u>78,413</u> | <u>-</u> | <u>78,413</u> | <u>(10,387)</u> |
| Expenditures: | | | | | |
| Engineering | 91,908 | 81,521 | - | 81,521 | 10,387 |
| Administration | <u>1,332</u> | <u>1,332</u> | <u>-</u> | <u>1,332</u> | <u>-</u> |
| Total Expenditures | <u>93,240</u> | <u>82,853</u> | <u>-</u> | <u>82,853</u> | <u>10,387</u> |
| Revenues over (under) expenditures | (4,440) | (4,440) | - | (4,440) | - |
| Other Financing Sources (Uses): | | | | | |
| Transfer from Water | <u>4,440</u> | <u>4,440</u> | <u>-</u> | <u>4,440</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>4,440</u> | <u>4,440</u> | <u>-</u> | <u>4,440</u> | <u>-</u> |
| Revenues and other sources over (under) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

Bertie County, North Carolina
Water Access - Phase 1 Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|---|--------------------------|-------------|--------------------|--------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State grants | \$ 83,000 | \$ - | \$ - | \$ - | \$ (83,000) |
| Total Revenues | <u>83,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(83,000)</u> |
| Expenditures: | | | | | |
| Engineering | 130,500 | - | 125,550 | 125,550 | 4,950 |
| Administration | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,000</u> |
| Total Expenditures | <u>135,500</u> | <u>-</u> | <u>125,550</u> | <u>125,550</u> | <u>9,950</u> |
| Revenues over (under) expenditures | (52,500) | - | (125,550) | (125,550) | (73,050) |
| Other Financing Sources (Uses): | | | | | |
| Transfer from General Fund | <u>52,500</u> | <u>-</u> | <u>52,500</u> | <u>52,500</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>52,500</u> | <u>-</u> | <u>52,500</u> | <u>52,500</u> | <u>-</u> |
| Revenues and other sources over (under) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (73,050)</u> | <u>\$ (73,050)</u> | <u>\$ (73,050)</u> |

INTERNAL SERVICE FUND

Bertie County, North Carolina
Bertie Telephone Internal Service Fund
Schedule of Revenues, Expenditures, and
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

| | 2021 | | Variance Positive (Negative) |
|--|-----------------|---------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Operating revenues: | | | |
| User charges | \$ | \$ 67,226 | \$ |
| Total Revenues | <u>72,000</u> | <u>67,226</u> | <u>(4,774)</u> |
| Expenditures | | | |
| Operating: | | | |
| Administration | | 71,367 | |
| Total Expenditures | <u>72,000</u> | <u>71,367</u> | <u>633</u> |
| Revenues Over (Under) Expenditures | \$ | (4,141) | \$ <u><u>(4,141)</u></u> |
| Reconciliation from budgetary basis | | | |
| (modified accrual) to full accrual: | | | |
| Depreciation | | <u>12,223</u> | |
| Change in net position | | <u>8,082</u> | |

OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Schedule of Ten Largest Taxpayers

Bertie County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

| Fiscal Year | Uncollected Balance July 1, 2020 | Additions | Collections And Credits | Uncollected Balance June 30, 2021 |
|---|--|-----------------------------|-----------------------------|---|
| 2020-2021 | \$ | \$ 12,335,690 | \$ 12,102,935 | \$ 232,755 |
| 2019-2020 | 216,766 | - | 94,854 | 121,912 |
| 2018-2019 | 114,243 | - | 52,714 | 61,529 |
| 2017-2018 | 63,654 | - | 14,087 | 49,567 |
| 2016-2017 | 43,542 | - | 5,742 | 37,800 |
| 2015-2016 | 77,843 | 33,043 | - | 110,886 |
| 2014-2015 | 17,836 | - | 581 | 17,255 |
| 2013-2014 | 31,188 | - | 17,635 | 13,553 |
| 2012-2013 | 32,164 | - | 23,595 | 8,569 |
| 2011-2012 | 56,107 | - | 46,479 | 9,628 |
| TOTALS | \$ <u>653,343</u> | \$ <u>12,368,733</u> | \$ <u>12,358,622</u> | \$ <u>663,454</u> |
| Less: Allowance for uncollectable accounts: | | | | |
| General Fund | | | | <u>(117,457)</u> |
| Ad valorem taxes receivable - net: | | | | |
| General Fund | | | | <u>\$ 545,997</u> |
| <u>Reconciliation with revenues</u> | | | | |
| Ad valorem taxes - General Fund | | | | \$ 12,349,796 |
| Reconciling items: | | | | |
| Interest collected | | | | (121,000) |
| Taxes written off and adjustments | | | | <u>129,826</u> |
| Total Collections and Credits | | | | <u>\$ 12,358,622</u> |

Bertie County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2021

| | County-wide | | | Total Levy | |
|---|-------------------------|-------|-------------------|--|------------------------------|
| | Property Valuation | Rate | Amount of Levy | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property Taxes at Current Year's Rate | \$ 1,486,219,759 | 0.83% | \$ 12,335,624 | \$ 10,995,679 | \$ 1,339,945 |
| Total | <u>1,486,219,759</u> | | <u>12,335,624</u> | <u>10,995,679</u> | <u>1,339,945</u> |
| Discoveries: | | | | | |
| Current year taxes | 7,952 | 0.83% | 66 | 66 | - |
| Abatements taxed at current year's rate | <u>-</u> | 0.83% | <u>-</u> | <u>-</u> | <u>-</u> |
| Total property valuation | <u>\$ 1,486,227,711</u> | | | | |
| Net Levy | | | 12,335,690 | 10,995,745 | 1,339,945 |
| Current year's taxes collected | | | <u>12,102,935</u> | <u>10,762,990</u> | <u>1,339,945</u> |
| Uncollected taxes at June 30, 2021 | | | \$ <u>232,755</u> | \$ <u>232,755</u> | \$ <u>-</u> |
| Current levy collection percentage | | | <u>98.11%</u> | <u>97.88%</u> | <u>100%</u> |

Bertie County, North Carolina
Schedule of Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2021

| Taxpayer | Type of Business | 2020 Assessed Valuation | Percentage of Total Assessed Valuation |
|-----------------------------|-------------------------|--|---|
| Perdue Foods LLC | Agriculture | \$ 50,512,695 | 3.98 % |
| Roseburg Resources Co. | Real Estate | 23,171,559 | 1.68 |
| Weyerhaeuser Co. | Real Estate | 20,731,420 | 1.53 |
| Rial Corp | Real Estate | 18,625,005 | 1.52 |
| Avoca LLC | Agriculture | 18,077,835 | 1.21 |
| Republic Services LLC | Real Estate | 13,505,428 | 0.99 |
| Valley Proteins Inc. | Agriculture | 6,980,236 | 0.38 |
| Avoca Technical of Delaware | Agriculture | 3,940,506 | 0.40 |
| Innsbrook Golf & Marina LLC | Real Estate | 3,863,742 | 0.31 |
| W R White Inc. | Agriculture | 3,861,417 | 0.29 |
| Total | | \$ <u>163,269,843</u> | <u>12.29</u> % |

COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

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

Independent Auditor's Report

To the Board of County 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 the 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Bertie County's basic financial statements, and have issued our report thereon dated November 19, 2021. Our report 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 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bertie County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
November 19, 2021



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

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 County Commissioners
Bertie County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Bertie County, 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, 2021. 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 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the OMB 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021 – 002. Our opinion on each major federal program is not modified with respect to these matters.

Bertie County's response to the noncompliance findings identified in our audit is described in the schedule of findings and questioned costs. Bertie County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2021 – 001 and, 2021 – 002 that we consider to be significant deficiencies.

Bertie County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

November 19, 2021



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Bertie County, North Carolina

Report on Compliance for Each Major State Program

We have audited Bertie County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Bertie County's major state programs for the year ended June 30, 2021. Bertie County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bertie County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, 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 state 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 state program. However, our audit does not provide a legal determination of Bertie County's compliance.

Opinion on Each Major State 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 state programs for the year ended June 30, 2021.

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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

November 19, 2021

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I. Summary of Auditors' 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 weaknesses identified? Yes No

Significant Deficiency(s) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes No

Significant Deficiency(s) identified? Yes 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 No

Identification of major federal programs:

| <u>CFDA Numbers</u> | <u>Names of Federal Program or Cluster</u> |
|---------------------|---|
| 21.019 | State Aid to North Carolinians in Response to the Coronavirus |
| 93.778 | Medical Assistance Program (Title XIX - Medicaid) |

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? Yes No

State Awards

Internal control over major State programs:

• Material Weakness(es) identified? Yes No

• Significant deficiency(s) identified that are not considered to be a material weakness. Yes None Reported

Type of auditor's report issued on compliance for major State programs: Unmodified.

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

Identification of major State programs:

| <u>Program Name</u> |
|---------------------|
| Golden Leaf Grant |

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II. Financial Statement Findings

None Reported.

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III. Federal Award Findings and Questioned Costs

Significant Deficiency

US Department of Health and Human Services
Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778

Finding: 2021 - 001

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application/recertification and these items will agree to reports in the NC FAST system. In this process, documentation should be present and agree back to the records in the NC FAST system. Any items discovered in the process should be considered in regards to a specific eligibility requirement and explained within the documentation.

Condition: There were fifty-seven (57) errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. The errors were as follows: Thirteen (13) cases did not have accurate resource calculations, Nineteen (19) cases did not have accurate budget calculations, Twenty-three (23) cases had a failure to complete at least one compliance component, One (1) case lacked sufficient documentation errors, One (1) case contained an inaccurate needs unit calculation.

Questioned Costs: There was no affect to eligibility and there were no questioned costs.

Context: We examined 120 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued spreadsheet to the North Carolina Department of Health and Human Services and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource or program specific requirements and a participant could have been approved for benefits that they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-001.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Significant Deficiency/Noncompliance

US Department of Health and Human Services
Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778

Finding: 2021 - 002

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There was one error discovered during our procedures that SSI ex parte review procedures were not followed causing benefits to continue while eligibility remained unchecked. An applicant/beneficiaries received assistance for which the recipient was not eligible.

Questioned Costs: The amount of claims paid on behalf of the above ineligible participants for fiscal year ending 6/30/2021 did not exceed the threshold for a questioned cost determination.

Context: We examined 120 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued spreadsheet to the North Carolina Department of Health and Human Services and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource or program specific requirements and a participant could have been approved for benefits that they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-002.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participate in the review process.

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section IV. State Award Findings and Questioned Costs

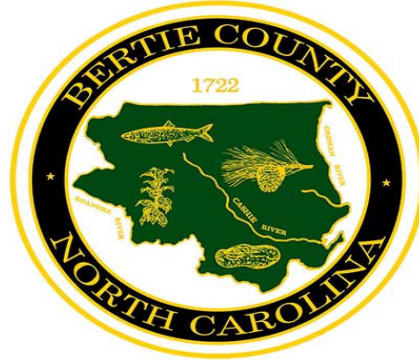
None Reported.

County of Bertie

Board of Commissioners

Ronald "Ron" Wesson, Chairman
Tammy A. Lee, Vice Chairman
Ernestine Byrd Bazemore
Greg Atkins
John Trent

Juan Vaughan, County Manager
Lloyd Smith, County Attorney
Sarah Tinkham, Clerk to the Board



Bertie County Courthouse
Post Office Box 530
108 Dundee Street
Windsor, N.C. 27986

Telephone: (252) 794-5360
Fax: (252) 794-5327

**CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

2021 - 001 Eligibility

Name of contact person: Cindy Perry, Director

Corrective Action: Corrective Action has been put into place for the county of Bertie. The Plan will be followed and further developed to meet the procedures and controls of the changing NC Fast system and the NC DHHS policies of Medicaid. Medicaid caseworkers will receive additional training on the newly created Corrective Action Plan to remind each of the policies and procedures to be followed in the application process as well as the recertification process. Medicaid caseworkers will now have to be trained on NC Fast Core Functions Certification and Level 1 Programmatic Training to be essential Medicaid caseworkers. Supervisors will continue to review action reports and case files regularly to retrain on any errors that occur and keep training on how to maintain case files, the importance of documentation and the importance of complete and accurate record keeping by staff conference monthly. Workers will continue to train on budgeting and reserve calculations. Workers will have a training session on SDX cases which involves SSI recipients and will continue to train if errors occur.

Proposed Completion Date: Correction for SFY21 Single County Audit Case has been corrected. This case was included in the sample list for the Single County Audit 09/2021. The case was reviewed prior to audit and discovered it was still active as an SDX PDC and should not have been since 12/2017. The beneficiary became eligible for disability in 12/2017. The caseworker had completed the Exparte review, but did not take changed decision off hold which caused it to remain active in benefit history. The beneficiary was employed during the time of the Exparte review, but was not evaluated for HCWD program by caseworker. The error was discovered prior to audit start date; however, no action was taken until it was examined by auditor. The case was completed by Supervisor and the updated to reflect HCWD eligibility . HCWD PDC activated as of 9/28/2021. Case is now corrected. No proposed completion date due to case finalized on 9/28/2021.

County of Bertie

Board of Commissioners

Ronald "Ron" Wesson, Chairman
Tammy A. Lee, Vice Chairman
Ernestine Byrd Bazemore
Greg Atkins
John Trent

Juan Vaughan, County Manager
Lloyd Smith, County Attorney
Sarah Tinkham, Clerk to the Board



Bertie County Courthouse
Post Office Box 530
108 Dundee Street
Windsor, N.C. 27986

Telephone: (252) 794-5360
Fax: (252) 794-5327

CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2021 - 002 Eligibility

Name of contact person: Cindy Perry, Director

Corrective Action: Procedures and controls have been developed for caseworkers to follow and will be further developed to meet ongoing changes of the NC Fast system and NC DHHS policies for Medicaid. Medicaid caseworkers will receive additional training on Medicaid policies and procedures, Online data/The work number, child support policy, resource calculations, budget calculations/Income wizard in NC Fast, thorough documentation of all cases, and Household composition size as it relates to MAGI policy and procedures. Corrective action plan will be revised and caseworkers will be reminded of the policies and procedures that should be followed in the application process as well as the recertification process. Medicaid caseworkers will receive NC Fast Core Functions certification training and level 1 programmatic training. Supervisors will review action reports and case files regularly to determine if the correct action was taken and properly followed through or closed. Worker will retrain on all errors that occur, maintenance of case files, and the importance of complete and accurate record keeping and resource calculations during monthly staff conference.

Proposed Completion Date: At December 2021 staff conferences for Medicaid, training will be conducted for error findings/internal control errors of 2021 Single County Audit. December 31, 2021.

Section IV. State Award Findings and Questioned Costs

None Reported.

**BERTIE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

| | | |
|---------|----------|------------------|
| Status: | 2020-001 | Still occurring. |
| | 2020-002 | Still occurring. |

BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title | Federal AL#/ CFDA Number | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Local Expenditures | Provided to Subrecipients |
|--|-----------------------------------|---|---|-----------------------|-----------------------|---------------------------------|
| Federal Awards: | | | | | | |
| <u>U.S. Dept. of Agriculture</u> | | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Social Services: | | | | | | |
| Administration: | | | | | | |
| SNAP Cluster | | | | | | |
| State Administrative Matching Grants for the | | | | | | |
| Supplemental Nutrition Assistance Program | | | | | | |
| | 10.561 | | \$ 339,700 | \$ - | \$ 339,700 | \$ - |
| | | | 339,700 | - | 339,700 | - |
| | | | 339,700 | - | 339,700 | - |
| Total SNAP Cluster | | | | | | |
| Total U.S. Department of Agriculture | | | | | | |
| <u>U. S. Department of Homeland Security</u> | | | | | | |
| Passed-through N.C. Dept. of Public Safety: | | | | | | |
| Division of Emergency Management | | | | | | |
| | 97.042 | | 19,689 | 19,689 | - | - |
| | 97.067 | | 12,000 | - | - | - |
| | | | | | | |
| | 97.036 | | 346,028 | 115,343 | - | - |
| | | | 377,717 | 135,032 | - | - |
| Total U. S. Department of Homeland Security | | | | | | |
| <u>U.S. Dept. of Housing and Urban Development</u> | | | | | | |
| Passed-through N.C. Department of Commerce: | | | | | | |
| COVID 19 - Community Development Block Grant, | | | | | | |
| State's Program | | | | | | |
| | 14.228 | | 3,431 | - | - | - |
| | | | 3,431 | - | - | - |
| Total U. S. Department of Housing and Urban Development | | | | | | |
| <u>U.S. Dept. of Treasury</u> | | | | | | |
| Passed-through the Office of State Budget and Management: | | | | | | |
| NC Pandemic Recovery Office | | | | | | |
| | 21.019 | | 851,322 | - | - | 74,674 |
| Passed-through the N.C. State Board of Elections: | | | | | | |
| CARES Act Supplemental | | | | | | |
| | 21.019 | | 19,000 | - | - | - |
| | | | 870,322 | - | - | 74,674 |
| Total U.S. Dept. of Treasury | | | | | | |
| <u>U. S. Department of Elections</u> | | | | | | |
| Passed-through N.C. Dept. Administration: | | | | | | |
| HAVA Grant | | | | | | |
| | 90.404 | | 45,980 | - | - | - |
| HAVA CARES Act Grant | | | | | | |
| | 90.404 | | 32,042 | - | - | - |
| | | | 78,022 | - | - | - |
| Total U. S. Department of Elections | | | | | | |
| <u>U.S. Dept. of Health & Human Services</u> | | | | | | |
| Passed-through N.C. Department of Health and Human Services: | | | | | | |
| Division of Social Services: | | | | | | |
| TANF - Work First | | | | | | |
| | 93.558 | | 190,747 | - | 126,725 | - |
| | | | 190,747 | - | 126,725 | - |
| Total Temporary Assistance for Needy Families (TANF) | | | | | | |
| <u>Foster Care and Adoption Cluster (Note 4 and 5)</u> | | | | | | |
| Foster Care - Title IV-E | | | | | | |
| | 93.658 | | 44,573 | 6,444 | 34,431 | - |
| Foster Care | | | | | | |
| | N/A | | 4,464 | - | 330 | - |
| | | | 49,037 | 6,444 | 34,761 | - |
| Total Foster Care and Adoption Cluster (Note 4 and 5) | | | | | | |
| Child Support Enforcement | | | | | | |
| | 93.563 | | 522,601 | 252 | 268,967 | - |
| Low-Income Home Energy Assistance: | | | | | | |
| Administration | | | | | | |
| | 93.568 | | 23,887 | - | - | - |
| Energy Assistance Payments | | | | | | |
| | 93.568 | | 205,602 | - | - | - |
| Crisis Intervention Program | | | | | | |
| | 93.568 | | 138,696 | - | - | - |
| Low Income Energy Assistance Program COVID | | | | | | |
| | 93.568 | | 157,340 | - | - | - |
| | | | 525,524 | - | - | - |
| Total Low-Income Home Energy Assistance | | | | | | |
| Stephanie Tubbs Jones Child Welfare Services Program: | | | | | | |
| - Permanency Planning - Families for Kids | | | | | | |
| | 93.645 | | 3,574 | - | 1,191 | - |
| | | | 3,574 | - | 1,191 | - |
| Total Stephanie Tubbs Jones Child Welfare Services Program | | | | | | |

BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title | Federal AL#/ CFDA Number | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Local Expenditures | Provided to Subrecipients |
|--|-----------------------------------|---|---|-----------------------|-----------------------|---------------------------------|
| SSBG - Other Service and Training | 93.667 | | 110,220 | - | 36,740 | - |
| Division of Aging and Adult Services: | | | | | | |
| Division of Social Services: | | | | | | |
| SSBG - State In Home Service Fund | 93.667 | | 10,560 | - | 1,508 | - |
| SSBG - Adult Protective Care | 93.667 | | 10,090 | - | 3,363 | - |
| Total State Social Service Block Grant | | | <u>130,870</u> | <u>-</u> | <u>41,612</u> | <u>-</u> |
| <u>Division of Child Development and Early Education:</u> | | | | | | |
| Subsidized Child Care | | | | | | |
| Child Care Development Fund Cluster: | | | | | | |
| Division of Social Services: | | | | | | |
| Child Care Development Mandatory and Match | | | | | | |
| Fund-Administration (Note 5) | 93.596 | | 79,608 | - | - | - |
| Total Child Care Fund Cluster | | | <u>79,608</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Subsidized Child Care (Note 5) | | | <u>79,608</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Health Benefits: | | | | | | |
| Division of Social Services: | | | | | | |
| Administration: | | | | | | |
| Medicaid Cluster | | | | | | |
| Medical Assistance Program (Note 5) | 93.778 | | 1,071,950 | 10,845 | 424,338 | - |
| Total Medicaid Cluster | | | <u>1,071,950</u> | <u>10,845</u> | <u>424,338</u> | <u>-</u> |
| Division of Social Services: | | | | | | |
| Administration: | | | | | | |
| State Children's Insurance Program - N.C. Health Choice | 93.767 | | 28,259 | (457) | 6,026 | - |
| Total State Children's Insurance Program - N.C. Health Choice (Note 5) | | | <u>28,259</u> | <u>(457)</u> | <u>6,026</u> | <u>-</u> |
| Passed-through the N.C. Dept. of Insurance: | | | | | | |
| Medicare Enrollment Assistance Program | | | | | | |
| MIPPA Grant | 93.071 | | 2,428 | - | - | - |
| Total Medicare Enrollment Assistance Program | | | <u>2,428</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total U.S. Dept. of Health and Human Services | | | <u>2,604,598</u> | <u>17,084</u> | <u>903,620</u> | <u>-</u> |
| Total federal awards | | | <u>4,273,790</u> | <u>152,116</u> | <u>1,243,320</u> | <u>74,674</u> |
| State Awards: | | | | | | |
| <u>N.C. Dept. of Administration</u> | | | | | | |
| Division of Veterans Affairs: | | | | | | |
| Veterans Services | | | - | 2,084 | - | - |
| Total N.C. Dept. of Administration | | | <u>-</u> | <u>2,084</u> | <u>-</u> | <u>-</u> |
| <u>N.C. Dept. of Agriculture</u> | | | | | | |
| Disaster Recovery 2016 | | | - | 2,838 | - | - |
| Total N.C. Dept. of Administration | | | <u>-</u> | <u>2,838</u> | <u>-</u> | <u>-</u> |
| <u>N.C. State Board of Elections</u> | | | | | | |
| One-Stop Voting Worker Bonus | | | - | 5,712 | - | - |
| Total N.C. State Board of Elections | | | <u>-</u> | <u>5,712</u> | <u>-</u> | <u>-</u> |
| <u>N.C. Department of Environmental Quality</u> | | | | | | |
| Division of Waste Management | | | | | | |
| Soil Conservation State Match | | | - | 7,200 | - | - |
| NC Agriculture Cost Share - Technical Assistance | | | - | 47,180 | - | - |
| N.C. Clean Water Revolving Loan & Grant Program | | | | | | |
| Asset Inventory & Assessment Grant | | H-AIA-D-19-0176 | - | 17,745 | - | - |
| Total N.C. Dept. Environmental Quality | | | <u>-</u> | <u>72,125</u> | <u>-</u> | <u>-</u> |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | | |
| Division of Social Services | | | | | | |
| ST Child Welfare/CPS/CS LD | | | - | 9,434 | - | - |
| State Foster Home | | | - | 6,055 | 4,555 | - |
| APS/CPS Care - COVID | | | - | 13,990 | - | - |
| County Funded Programs | | | - | - | 352,265 | - |
| Total Division of Social Service | | | <u>-</u> | <u>29,479</u> | <u>370,110</u> | <u>-</u> |
| Total N. C. Department of Health and Human Services | | | <u>-</u> | <u>29,479</u> | <u>370,110</u> | <u>-</u> |

BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

| Grantor/Pass-through Grantor/Program Title | Federal AL#/ CFDA Number | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Local Expenditures | Provided to Subrecipients |
|---|-----------------------------------|---|---|-----------------------|-----------------------|---------------------------------|
| <u>N.C. Dept. of Insurance</u> | | | | | | |
| SHIIP Grant | | | - | 4,428 | - | - |
| Total N.C. Dept. of Insurance | | | - | 4,428 | - | - |
| <u>N.C. Dept. of Public Safety</u> | | | | | | |
| Juvenile Crime Prevention Programs | | | - | 118,456 | - | - |
| Governor's Crime Commission | | | - | 35,541 | - | - |
| Total N. C. Department of Public Safety | | | - | 153,997 | - | - |
| Golden Leaf Grant | | | - | 2,123,470 | - | - |
| <u>Administrative Office of the Courts</u> | | | | | | |
| Safe Roads Act | | | - | 736 | - | - |
| Total State awards | | | - | 2,394,870 | 370,110 | - |
| Total federal and State awards | | | 4,273,790 | 2,546,985 | 1,613,430 | 74,674 |

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Bertie County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. 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.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Child Care and Foster Care and Adoption.

Note 5: 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.

| Program Title | CFDA No. | Federal | State |
|--|----------|------------|------------|
| Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | 122,757 | - |
| Supplemental Nutrition Assistance Program | 10.551 | 11,277,287 | - |
| Temporary Assistance for Needy Families | 93.558 | 68,569 | - |
| Adoption Assistance | 93.659 | 62,291 | 10,850 |
| Family Preservation | 93.556 | 261 | - |
| Medical Assistance Program | 93.778 | 37,005,671 | 14,803,889 |
| Children's Health Insurance Program | 93.767 | 235,476 | 45,420 |
| Child Welfare Services Adoption | N/A | - | 26,826 |
| SAA/SAD HB 1030 | N/A | - | 125,727 |
| SC/SA Domiciliary Care | N/A | - | 189,016 |