

BERTIE COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2022

BOARD OF COMMISSIONERS

John Trent, Chair
Ronald Wesson, Vice Chair
Greg Atkins
Tammy A. Lee
Ronald Roberson

OFFICIALS

County Manager
Juan Vaughan II

Clerk to the Board
LaShonda Cartwright

Finance Officer
William Roberson

Register of Deeds
Annie F. Wilson

Tax Administrator
Jodie Rhea

Sheriff
John Holley

BERTIE COUNTY
TABLE OF CONTENTS
June 30, 2022

<u>Exhibit</u>		<u>Page</u>
	Financial Section	
	Independent Auditor's Report	1 - 4
	Management's Discussion and Analysis	5 - 11
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
1	Statement of Net Position	12
2	Statement of Activities	13
	Fund Financial Statements:	
3	Balance Sheet-Governmental Funds and	14
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- General Fund	18
6	Statement of Net Position - Proprietary Funds	19
7	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20
8	Statement of Cash Flows - Proprietary Funds	21
9	Statement of Fiduciary Net Position - Custodial Fund	22
10	Statement of Changes in Fiduciary Net Position - Custodial Fund	23
	Notes to the Financial Statements	24 - 56

Required Supplemental Financial Data:

Local Governmental Employees' Retirement System - Schedule of County's Proportionate Share of the Net Pension Liability	57
Local Governmental Employees' Retirement System - Schedule of the County's Contributions	58
Register of Deeds Supplemental Pension Fund - Schedule of County's Proportionate Share of the Net Pension (Asset)	59
Register of Deeds Supplemental Pension Fund - Schedule of the County's Contributions	60
Law Enforcement Officer's Special Separation Allowance - Schedule of Changes in Total Pension Liability	61
Law Enforcement Officer's Special Separation Allowance - Schedule of Total Pension Liability as a Percentage of Covered Payroll	62
Other Postemployment Benefits - Schedule of Changes in the Net OPEB Liability and Related Ratios	63

Combining and Individual Fund Statements and Schedules:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual	64 - 71
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Tax Revaluation Fund - Budget and Actual	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Reserve - Budget and Actual	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance - SLFRF/ARP Project Fund - Budget and Actual	74
Combining Balance Sheet - Nonmajor Governmental Funds	75 - 76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	77 - 78
Custodial Fund	79

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

Emergency Telephone System Fund	80
Representitive Payee Fund	81
Custodial Fund	82
Pest Management Fund	83
Fines and Forfeitures Fund	84
Tornado onations Fund	85
Sheriff's Grant Fund	86
Opiod Settlement Fund	87
Library/Co-Op Extension Building Fund	88
Library/Co-Op Construction Fund	89
EMS Building Fund	90
Disaster Recovery 17 Project Fund	91
Capital Projects - Schools	92
Animal Shelter Capital Project	93

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

Regional Water District Fund	94-95
Drinking Water State Revolving Loan Fund - SCADA	96
USDA Rural Development Fund	97
Department of Commerce Rural Center Fund - Kelford	98
Drinking Water State Revolving Loan Fund - Roxobel Merger	99
Asset Inventory - Phase II Fund	100
Asset Inventory - Phase III Fund	101
Asset Inventory - Phase IV Fund	102
Water Access - Phase I Fund	103
Bertie Telephone Internal Service Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	104
Other Schedules	
General Fund Schedule of Ad Valorem Taxes Receivable	105
County-Wide Levy Analysis of Current Tax Levy	106
Schedule of Ten Largest Taxpayers	107

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>	108 - 109
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	110 - 112
Schedule of Findings and Questioned Costs	113 - 115
Corrective Action Plan	116
Summary Schedule of Prior Year Audit Findings	117
Schedule of Expenditures of Federal and State Awards	118 - 120

FINANCIAL SECTION



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Independent Auditor's Report

To the Board of County Commissioners
Bertie County, North Carolina

Report on the Audit of the Financial Statements

Opinions

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 the Bertie County, North Carolina as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Bertie County's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County as of June 30, 2022, and the respective changes in financial position and cash flows, 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.

We did not audit the financial statements of Bertie County ABC Board, which represent 100 percent, 100 percent, and 100 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component unit. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bertie County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our audit opinions. The financial statements of Bertie County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

Responsibilities of Management for the Audit of 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Bertie County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bertie County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bertie County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other 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 Schedule of 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 is the responsibility of management, 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 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. The combining and individual fund financial statements, budgetary schedules, and 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of

federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the 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 that 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 the effectiveness of Bertie County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bertie County's internal control over financial reporting and compliance.

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

Wilmington, North Carolina

December 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
For the year ended June 30, 2022**

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, 2022.

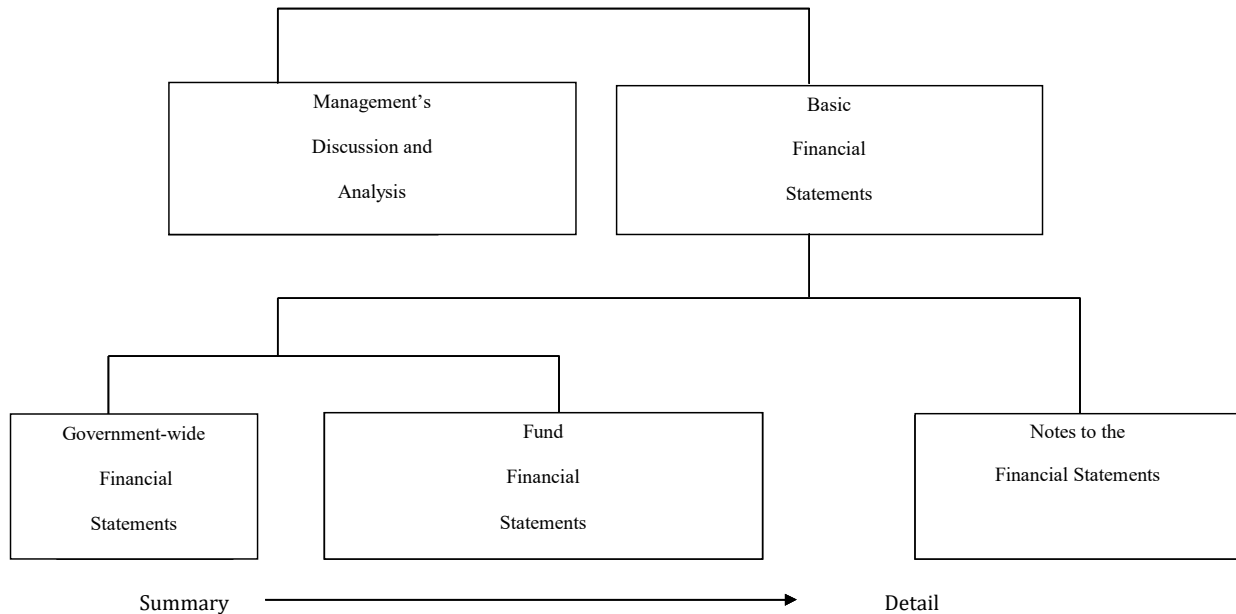
Financial Highlights

- On the government-wide statements, the assets and deferred outflows of resources of the Bertie County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16,888,496 (*net position*).
- The government's total net position increased by \$932,078 due to increase in net position in both the governmental and business type activities.
-
- At the close of the current fiscal year, Bertie County's governmental funds reported combined ending fund balance of \$6,687,149, after a net increase in fund balance of \$1,006,449. Approximately 63% of this amount, or \$4,227,491, is restricted, committed, or non-spendable.
- At the end of current fiscal year, unassigned fund balance for the General Fund was \$1,731,319, or 6% of total General Fund expenditures and transfers to other funds for the fiscal year.
- The County's total debt decreased during the fiscal year by \$2,516,147.

Overview of the Financial Statements

This discussion and analysis is 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 the Bertie County.

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



Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's major and non-major governmental 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 the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, park 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 fund.

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 the 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 - The 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 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.

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.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 10,143,896	\$ 9,689,427	\$ 2,315,553	\$ 1,714,063	\$ 12,459,449	\$ 11,403,490
Capital assets	32,954,500	33,326,673	28,895,645	29,782,831	61,850,145	63,109,504
Total assets	43,098,396	43,016,100	31,211,198	31,496,894	74,309,594	74,512,994
Total deferred outflows of resources	5,106,565	5,518,970	316,380	279,166	5,422,945	5,798,136
Current and other liabilities	3,132,357	2,865,334	1,206,558	1,127,714	4,338,915	3,993,048
Long-term liabilities outstanding	35,578,337	45,326,385	12,804,326	14,024,636	48,382,663	59,351,021
Total liabilities	38,710,694	48,191,719	14,010,884	15,152,350	52,721,578	63,344,069
Total deferred inflows of resources	9,569,436	959,547	553,029	51,096	10,122,465	1,010,643
Net Position:						
Net investment in capital assets	14,168,650	13,695,812	16,854,128	17,079,970	31,022,778	30,775,782
Restricted	4,226,574	5,671,585	-	-	4,226,574	5,671,585
Unrestricted	(18,470,393)	(19,983,593)	109,537	(507,356)	(18,360,856)	(20,490,949)
Total net position	\$ (75,169)	\$ (616,196)	\$ 16,963,665	\$ 16,572,614	\$ 16,888,496	\$ 15,956,418

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 \$16,888,496 as of June 30, 2022. The County's net position increased by \$932,078 for the fiscal year ended June 30, 2022. One of the largest portions \$31,022,778 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 \$4,226,574 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$16,888,496) is unrestricted.

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

- Continued diligence in the listing of business personal property and the collection of property taxes, both current year levy and prior year delinquent taxes.
- Revenues were higher than budgeted in ad valorem taxes, sales taxes, beer and wine taxes, state funding for aging, and other miscellaneous revenues and refunds.
- 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues						
Charges for Services	\$ 7,419,202	\$ 7,391,234	\$ 3,115,200	\$ 2,760,941	\$ 10,534,402	\$ 10,152,175
Operating grants and contributions	5,816,024	8,011,399	-	-	5,816,024	8,011,399
Capital grants and contributions	-	-	79,186	169,753	79,186	169,753
General revenues:						
Property taxes	12,263,687	12,359,907	-	-	12,263,687	12,359,907
Other taxes	3,802,805	4,035,933	-	-	3,802,805	4,035,933
Investment earnings	7,750	3,207	2,882	1,028	10,632	4,235
Miscellaneous	-	-	-	-	-	-
Total revenues	29,309,468	31,801,680	3,197,268	2,931,722	32,506,736	34,733,402
Expenses:						
General government	5,884,546	3,535,172	-	-	5,884,546	3,535,172
Public Safety	10,600,907	10,605,191	-	-	10,600,907	10,605,191
Environmental protection	478,107	616,931	-	-	478,107	616,931
Economic and physical development	649,127	2,778,344	-	-	649,127	2,778,344
Human services	5,426,568	5,492,878	-	-	5,426,568	5,492,878
Education	3,858,846	3,840,120	-	-	3,858,846	3,840,120
Special appropriations	672,060	600,314	-	-	672,060	600,314
Cultural and recreational	313,569	390,583	-	-	313,569	390,583
Interest and fees on long-term debt	884,711	952,199	-	-	884,711	952,199
Water districts	-	-	2,806,217	3,294,140	2,806,217	3,294,140
Total expenses	28,768,441	28,811,732	2,806,217	3,294,140	31,574,658	32,105,872
Increase (decrease) in net position before transfers	541,027	2,989,948	391,051	(362,418)	932,078	2,627,530
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	541,027	2,989,948	391,051	(362,418)	932,078	2,627,530
Net position, beginning	(616,196)	(3,622,382)	16,572,614	16,935,032	15,956,418	13,312,650
Net position, beginning, Restated	-	16,238	-	-	-	16,238
Net position, June 30, ending	\$ (75,169)	\$ (616,196)	\$ 16,963,665	\$ 16,572,614	\$ 16,888,496	\$ 15,956,418

Governmental activities: Governmental activities increased the County's net position by \$541,027. Key elements of this increase are as follows:

- Sales tax receipts which exceeded conservative budget projections.

Business-type activities: Business-type activities increased the County's net position by \$391,051. Key elements of this increase are as follows:

- Rates increased effective July 1, 2021.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of the 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 the County. At the end of the current fiscal year, the County's unassigned fund balance in the General Fund was \$1,731,319, while total fund balance reached \$5,792,525. 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 unassigned governmental fund balance for the fiscal year ended June 30, 2022 is \$2,459,658.
- 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 in the general fund for appropriation is 7 percent of total general fund expenditures for the fiscal year ended June 30, 2022.

The County currently has an unassigned available fund balance in the general fund of 6% of general fund expenditures, while total fund balance represents 21% of that same amount.

At June 30, 2022, the governmental funds of Bertie County reported a combined fund balance of \$6,687,149, an \$1,006,449 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.

Proprietary Funds: Bertie County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water districts equaled \$109,537. There was a increase in net position of \$391,051. 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. The Bertie County's capital assets for its governmental and business-type activities as of June 30, 2022, totals \$61,850,145 (net of accumulated depreciation). These assets include land, buildings, equipment, and vehicles.

Major capital assets transactions during the year include:

- Construction and equipment in the governmental funds.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,928,490	\$ 1,928,490	\$ 129,994	\$ 129,994	\$ 2,058,484	\$ 2,058,484
Building and system	27,101,352	23,633,002	28,765,651	29,652,837	55,867,003	53,285,839
Improvements	741,266	817,106	-	-	741,266	817,106
Machinery and equipment	1,478,774	1,516,896	-	-	-	-
Vehicles and motorized equipment	918,308	853,900	-	-	918,308	853,900
Construction in progress	786,310	4,577,279	-	-	786,310	4,577,279
Total	\$ 32,954,500	\$ 33,326,673	\$ 28,895,645	\$ 29,782,831	\$ 61,850,145	\$ 63,109,504

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

Long-term Debt: As of June 30, 2022, Bertie County had total debt outstanding of \$50,842,127.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Limited obligation bonds	\$ 17,490,443	\$ 18,450,000	\$ 8,225,000	\$ 8,680,000	\$ 25,715,443	\$ 27,130,000
Installment Purchases	1,295,407	2,166,915	2,227,517	2,406,862	3,522,924	4,573,777
Lease liability	441,175	-	-	-	441,175	-
Revenue bond	-	-	1,589,000	1,616,000	1,589,000	1,616,000
Original issue discount	-	-	(31,089)	(33,255)	(31,089)	(33,255)
Original issue premium	-	-	371,481	397,384	371,481	397,384
Compensated absences	524,392	427,893	22,364	20,340	546,756	448,233
Total pension liability (LEOSSA)	640,734	675,011	-	-	640,734	675,011
Net pension liability (LEGGERS)	1,633,743	4,213,219	104,281	268,929	1,738,024	4,482,148
Net OPEB liability	15,329,218	20,995,614	978,461	1,340,146	16,307,679	22,335,760
Total	\$ 37,355,112	\$ 46,928,652	\$ 13,487,015	\$ 14,969,405	\$ 50,842,127	\$ 61,625,058

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.

Emergency Services enhancements since October 1, 2013

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

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

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

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

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

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

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

Business – type Activities:

The water rates for residential, commercial and institutional customers in the County increased on July 1, 2021 for all four water districts.

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
ASSETS				
Cash and cash equivalents	\$ 3,519,794	\$ 1,605,038	\$ 5,124,832	\$ 53,112
Receivables, (net)	4,434,710	384,658	4,819,368	-
Notes receivable	418,283	-	418,283	-
Inventories	-	-	-	302,283
Prepaid Expenses	-	-	-	894
Leases Receivable	712,367	-	712,367	-
Restricted cash and cash equivalents	593,210	325,857	919,067	-
Total current assets	<u>9,678,364</u>	<u>2,315,553</u>	<u>11,993,917</u>	<u>356,289</u>
Net pension asset	16,621	-	16,621	-
Capital assets:				
Land, improvements, and construction in progress	2,714,800	129,994	2,844,794	3,789
Other capital assets, net of depreciation	30,239,700	28,765,651	59,005,351	7,197
Total capital assets	<u>32,954,500</u>	<u>28,895,645</u>	<u>61,850,145</u>	<u>10,986</u>
Right to use leased asset, net of amortization	448,911	-	448,911	-
Total assets	<u>43,098,396</u>	<u>31,211,198</u>	<u>74,309,594</u>	<u>367,275</u>
DEFERRED OUTFLOWS OF RESOURCES	5,106,565	316,380	5,422,945	25,855
LIABILITIES				
Accounts payable and accrued liabilities	1,184,996	154,035	1,339,031	107,504
Liabilities to be paid from restricted assets	170,586	369,833	540,419	-
Due within one year	1,776,775	682,690	2,459,465	-
Long-term liabilities				
Net pension liability - LGERS	1,633,743	104,282	1,738,025	7,668
Total pension liability - LEOSSA	640,734	-	640,734	-
Net OPEB liability	15,329,218	978,461	16,307,679	390,280
Compensated absences payable	180,226	-	180,226	-
Due in more than one year	17,794,416	11,721,583	29,515,999	-
Total long-term liabilities	<u>35,578,337</u>	<u>12,804,326</u>	<u>48,382,663</u>	<u>397,948</u>
Total liabilities	<u>38,710,694</u>	<u>14,010,884</u>	<u>52,721,578</u>	<u>505,452</u>
DEFERRED INFLOWS OF RESOURCES	9,569,436	553,029	10,122,465	11,448
NET POSITION				
Net investment in capital assets	14,168,650	16,854,128	31,022,778	10,986
Restricted for:				
Stabilization by State Statute	3,985,990	-	3,985,990	-
Economic development	-	-	-	-
Working capital	-	-	-	39,221
Tax Revaluation	224,317	-	224,317	-
Education (Capital Reserve-Schools Fund)	16,267	-	16,267	-
Unrestricted (deficit)	(18,470,393)	109,537	(18,360,856)	(173,977)
Total net position	<u>\$ (75,169)</u>	<u>\$ 16,963,665</u>	<u>\$ 16,888,496</u>	<u>\$ (123,770)</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, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		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	\$ 5,884,546	\$ 809,168	\$ 572,867	\$ -	\$ (4,502,511)	\$ -	\$ (4,502,511)	\$ -
Public safety	10,600,907	3,173,293	1,057,459	-	(6,370,155)	-	(6,370,155)	-
Economic and physical development	649,127	-	660,912	-	11,785	-	11,785	-
Human services	5,426,568	1,057,459	3,508,453	-	(860,656)	-	(860,656)	-
Environmental protection	478,107	2,379,282	16,333	-	1,917,508	-	1,917,508	-
Intergovernmental:								
Education	3,858,846	-	-	-	(3,858,846)	-	(3,858,846)	-
Cultural and recreational	313,569	-	-	-	(313,569)	-	(313,569)	-
Debt services	884,711	-	-	-	(884,711)	-	(884,711)	-
Special appropriations	672,060	-	-	-	(672,060)	-	(672,060)	-
Total governmental activities	<u>28,768,441</u>	<u>7,419,202</u>	<u>5,816,024</u>	<u>-</u>	<u>(15,533,215)</u>	<u>-</u>	<u>(15,533,215)</u>	<u>-</u>
Business-type activities:								
Water Districts	<u>2,806,217</u>	<u>3,115,200</u>	<u>-</u>	<u>79,186</u>	<u>-</u>	<u>388,169</u>	<u>388,169</u>	<u>-</u>
Total business-type activities	<u>2,806,217</u>	<u>3,115,200</u>	<u>-</u>	<u>79,186</u>	<u>-</u>	<u>388,169</u>	<u>388,169</u>	<u>-</u>
Total primary government	<u>\$ 31,574,658</u>	<u>\$ 10,534,402</u>	<u>\$ 5,816,024</u>	<u>\$ 79,186</u>	<u>\$ (15,533,215)</u>	<u>\$ 388,169</u>	<u>\$ (15,145,046)</u>	<u>\$ -</u>
Component units:								
ABC Board	<u>1,295,587</u>	<u>1,316,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,630</u>	<u>20,630</u>	<u>20,630</u>
Total component units	<u>\$ 1,295,587</u>	<u>\$ 1,316,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,630</u>	<u>\$ 20,630</u>	<u>\$ 20,630</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 12,263,687	\$ -	\$ 12,263,687	\$ -
Local option sales tax					3,159,189	-	3,159,189	-
Other taxes and licenses					643,616	-	643,616	-
Investment earnings, unrestricted					7,750	2,882	10,632	28
Transfers					-	-	-	-
Total general revenues					<u>16,074,242</u>	<u>2,882</u>	<u>16,077,124</u>	<u>28</u>
Change in net position					541,027	391,051	932,078	20,658
Net position-beginning					(616,196)	16,572,614	15,956,418	(144,428)
Net position, ending					<u>\$ (75,169)</u>	<u>\$ 16,963,665</u>	<u>\$ 16,888,496</u>	<u>\$ (123,770)</u>

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

Bertie County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	Major		NonMajor	Total
	General Fund	SLFRF/ARP Project	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 2,918,018	\$ -	\$ 591,466	\$ 3,509,484
Restricted cash	249,476	136,078	207,656	593,210
Due from other funds	2,914	-	-	2,914
Receivables, (net):				
Accounts	3,816,791	-	166,285	3,983,076
Taxes	447,666	-	-	447,666
Leases Receivable	712,367	-	-	712,367
Notes	418,283	-	-	418,283
Total assets	\$ 8,565,515	\$ 136,078	\$ 965,407	\$ 9,667,000
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	1,151,408	-	33,361	1,184,769
Advance from other governments	-	-	34,508	34,508
Unearned revenues	-	136,078	-	136,078
Due to other funds	-	-	2,914	2,914
Total liabilities	1,151,408	136,078	70,783	1,358,269
Deferred Inflows of Resources:				
Taxes receivable	447,666	-	-	447,666
Prepaid taxes	44,183	-	-	44,183
Leases	711,450	-	-	711,450
Notes receivable	418,283	-	-	418,283
Total deferred inflows of resources	1,621,582	-	-	1,621,582
Fund balances:				
Non Spendable				
Leases	917	-	-	917
Restricted				
Stabilization by state statute	3,819,705	-	166,285	3,985,990
Committed				
Tax Revaluation	224,317	-	-	224,317
Education (Capital Reserve-Schools Fund)	16,267	-	-	16,267
Unassigned	1,731,319	-	728,339	2,459,658
Total fund balances	5,792,525	-	894,624	6,687,149
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,565,515	\$ 136,078	\$ 965,407	\$ 9,667,000

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

Bertie County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total Fund Balance, Governmental Funds	6,687,149
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,954,500
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	448,911
Net pension asset	16,621
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	4,733,544
Benefit payments and pension administration costs for pension and OPEB are deferred outflows of resources on the Statement on Net Position.	318,466
Net pension liability	(1,633,743)
Net OPEB liability	(15,329,218)
Total pension liability	(640,734)
Deferred inflows of resources for taxes and special assessments	865,949
Pension and OPEB related deferrals	(8,813,803)
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.	(19,751,417)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	68,606
Net position of governmental activities	\$ <u><u>(75,169)</u></u>

Bertie County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<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	\$ 12,362,018	\$ -	\$ -	\$ 12,362,018
Other taxes and licenses	643,616	-	-	643,616
Unrestricted intergovernmental revenues	3,552,651	-	-	3,552,651
Restricted intergovernmental revenues	4,631,566	1,200,971	695,048	6,527,585
Permits and fees	277,972	-	-	277,972
Sales and services	4,250,820	-	-	4,250,820
Investment earnings	7,433	-	318	7,751
Miscellaneous	1,817,379	-	8,405	1,825,784
Total revenues	<u>27,543,455</u>	<u>1,200,971</u>	<u>703,771</u>	<u>29,448,197</u>
EXPENDITURES				
Current:				
General government	3,928,401	1,200,971	67,746	5,197,118
Public safety	9,492,444	-	72,247	9,564,691
Economic and physical development	415,496	-	253,856	669,352
Human services	826,295	-	-	826,295
Environmental protection	512,318	-	-	512,318
Education	3,858,846	-	-	3,858,846
Cultural and recreational	234,792	-	-	234,792
Social Services	4,631,675	-	-	4,631,675
Debt services	2,838,491	-	-	2,838,491
Special appropriations	672,060	-	-	672,060
Total expenditures	<u>27,410,818</u>	<u>1,200,971</u>	<u>393,849</u>	<u>29,005,638</u>
Excess (deficiency) of revenues over expenditures	<u>132,637</u>	<u>-</u>	<u>309,922</u>	<u>442,559</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	300,000	300,000
Lease liabilities issued	563,890	-	-	563,890
Transfers to other funds	(300,000)	-	-	(300,000)
Total other financing sources and uses	<u>263,890</u>	<u>-</u>	<u>300,000</u>	<u>563,890</u>
Net change in fund balance	396,527	-	609,922	1,006,449
Fund balances-beginning	5,395,998	-	284,702	5,680,700
Fund balances-ending	<u>\$ 5,792,525</u>	<u>-</u>	<u>\$ 894,624</u>	<u>\$ 6,687,149</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, 2022

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

Net changes in fund balance - total government funds	\$ 1,006,449
--	--------------

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 and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlays in the current year.	88,961
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	(902,083)
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Contributions and pension administration costs for pension and OPEB are deferred outflows of resources on the Statement of Net Position.	318,466
--	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(98,331)
--	----------

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.	96,499
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,389,890
--	-----------

County's portion of collective pension expense.	(1,427,430)
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Internal service funds are used by management to charge the costs of a telephone system to individual funds.	68,606
--	--------

Total changes in net position of governmental activities	\$ 541,027
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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, 2022

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 12,605,026	\$ 12,620,826	\$ 12,362,018	\$ (258,808)
Other taxes and licenses	519,030	519,030	643,616	124,586
Unrestricted intergovernmental revenues	2,850,593	2,950,993	3,552,651	601,658
Restricted intergovernmental revenues	3,825,632	4,754,468	4,631,566	(122,902)
Permits and services	271,275	271,775	277,972	6,197
Sales and services	3,904,995	4,135,025	4,250,820	115,795
Investment earnings	30,000	30,000	7,385	(22,615)
Miscellaneous	902,119	1,014,313	1,082,885	68,572
Total revenues	<u>24,908,670</u>	<u>26,296,430</u>	<u>26,808,913</u>	<u>512,483</u>
Expenditures				
Current:				
General government	3,905,242	4,069,731	3,928,401	141,330
Public safety	9,310,171	9,688,607	9,492,444	196,163
Economic and physical development	553,633	554,000	415,496	138,504
Human Services	826,212	843,755	826,295	17,460
Environmental protection	516,392	516,392	512,318	4,074
Education	3,758,446	3,858,846	3,858,846	-
Cultural and recreational	298,921	298,804	234,792	64,012
Social services	4,590,889	5,241,877	4,631,675	610,202
Debt service	2,715,779	2,840,779	2,838,491	2,288
Special appropriations	837,700	942,877	672,061	270,816
Total expenditures	<u>27,313,385</u>	<u>28,855,668</u>	<u>27,410,819</u>	<u>1,444,849</u>
Revenues over (under) expenditures	(2,404,715)	(2,559,238)	(601,906)	1,957,332
Other financing sources (Uses)				
Transfers from other funds	2,484,715	2,639,238	733,637	1,905,601
Lease liabilities issued	-	300,000	563,890	(263,890)
Transfers to other funds	(80,000)	(380,000)	(380,000)	-
Total other financing sources and uses	<u>2,404,715</u>	<u>2,559,238</u>	<u>917,527</u>	<u>1,641,711</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>315,621</u>	<u>3,599,043</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>315,621</u>	<u>\$ 315,621</u>
Fund Balances - Beginning			5,236,326	
Fund Balances - Ending			<u>\$ 5,551,947</u>	
The legally budgeted Tax Revaluation Fund and Capital Reserve Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 734,547	
Lottery Funds			-	
Transfers (to)/from other funds			(653,643)	
Expenditures			-	
Fund Balance, Beginning			159,674	
Fund Balance, Ending (Exhibit 4)			<u>\$ 5,792,525</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, 2022

	Major Enterprise Fund	
	Regional Water District	Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,605,038	\$ 12,784
Receivables, (net)	384,658	3,968
Total Current Assets	<u>1,989,696</u>	<u>16,752</u>
Noncurrent assets:		
Restricted assets:		
Restricted cash and cash equivalents	325,857	-
Capital assets:		
Land and improvements	129,994	-
Buildings, improvements, and equipment	43,621,663	305,185
Less accumulated depreciation	(14,856,012)	(253,104)
Capital assets (net)	<u>28,895,645</u>	<u>52,081</u>
Total noncurrent assets	<u>29,221,502</u>	<u>52,081</u>
Total Assets	<u>31,211,198</u>	<u>68,833</u>
Deferred Outflows of Resources	<u>316,380</u>	<u>-</u>
Liabilities		
Current Liabilities:		
Accounts payable & accrued liabilities	154,035	227
Compensated absences	22,364	-
Installment purchase	143,589	-
Limited obligation bonds	465,000	-
Revenue bond	28,000	-
Original issue discount/premium	23,737	-
Total Current Liabilities	<u>836,725</u>	<u>227</u>
Noncurrent liabilities:		
Liabilities payable from restricted assets:		
Retainage payable	72,969	-
Customer deposits	296,864	-
Installment purchase	2,083,928	-
Limited obligation bonds	7,760,000	-
Revenue bond	1,561,000	-
Original issue discount/premium	316,655	-
Net pension liability	104,282	-
Net OPEB liability	978,461	-
Total noncurrent liabilities	<u>13,174,159</u>	<u>-</u>
Total Liabilities	<u>14,010,884</u>	<u>227</u>
Deferred Inflows of Resources	<u>553,029</u>	<u>-</u>
Net Position		
Net investment in capital assets	16,854,128	52,081
Unrestricted	<u>109,537</u>	<u>16,525</u>
Total Net Position	<u>\$ 16,963,665</u>	<u>\$ 68,606</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, 2022

Exhibit 7

	Major Enterprise Fund	
	Regional Water District	Internal Service Fund
Operating revenues:		
User charges	\$ 3,104,253	\$ 65,524
Other operating revenue	10,947	-
Total Operating Revenues	<u>3,115,200</u>	<u>65,524</u>
Operating expenses:		
Cost of operations	1,553,628	41,938
Depreciation expense	887,186	12,223
Total operating expenses	<u>2,440,814</u>	<u>54,161</u>
Operating Income (Loss)	674,386	11,363
Nonoperating Revenues (Expenses):		
Investment earnings	2,882	-
Debt service	(365,403)	-
Total nonoperating revenues (expenses)	<u>(362,521)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	311,865	11,363
Transfers in/(out)	-	-
Capital Contributions	79,186	-
Total transfers and capital contributions	<u>79,186</u>	<u>-</u>
Changes in net position	391,051	11,363
Net position, beginning	16,572,614	57,243
Total net position, ending	<u>\$ 16,963,665</u>	<u>\$ 68,606</u>

Bertie County, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

Exhibit 8

	Major Enterprise Fund	
	Regional Water District	Internal Service Fund
Cash flows From operating activities:		
Cash received from customers	\$ 3,104,253	\$ 65,523
Cash paid for goods and services	(1,197,202)	(52,739)
Cash paid to employees for services	(479,490)	-
Customer deposits (net)	20,334	-
Other operating revenues	10,947	-
Net cash provided (used) by operating activities	1,458,842	12,784
Cash flows from noncapital financing activities:		
Transfers	-	-
Net cash flows provided (used) by noncapital financing activities	-	-
Cash flows from capital and related financing activities:		
Interest paid on construction debt	(365,403)	-
Principal paid on bond maturities and equipment contracts	(661,345)	-
Capital contributions - Federal and State grants	79,186	-
Net cash flows provided (used) for capital and related financing activities	(947,562)	-
Cash flows from investing activities		
Interest on investment	2,882	-
Net cash provided (used) for investing activities	2,882	-
Net increase (decrease) in cash and cash equivalents	514,162	12,784
Cash and cash equivalents, beginning	1,416,733	-
Cash and cash equivalents, ending	\$ 1,930,895	\$ 12,784
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 674,386	\$ 11,363
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and Amortization	887,186	12,223
Changes in assets and liabilities, and deferred outflows in inflows of resources:		
(Increase) decrease in accounts receivable	(111,065)	97
(Increase) decrease in deferred outflows of resources for pensions & OPEB	(37,213)	-
Increase (decrease) in net pension liability	(164,647)	-
Increase (decrease) in net OPEB liability	(361,685)	-
Increase (decrease) in deferred inflows of resources for pensions & OPEB	501,933	-
Increase (decrease) in accounts payable and accrued liabilities	47,589	(10,899)
Increase (decrease) in customer deposits	20,334	-
Increase (decrease) in accrued vacation	2,024	-
Total adjustments	784,456	1,421
Net cash provided (used) by operating activities	\$ 1,458,842	12,784

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

Bertie County, North Carolina
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2022

Exhibit 9

		Municipal Tax Fund
Assets:		
Cash and Cash Equivalents	\$	-
Restricted Cash		-
Accounts Receivable		-
Taxes Receivable (Net)		89,106
Total Assets		89,106
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable and Accrued Liabilities		-
Due to Other Funds		-
Total Liabilities		-
Deferred Inflows		
Deferred Revenues		-
Total Deferred Inflows of Resources		-
Net Position		
Restricted for:		
Individuals, Organizations, and Other Governments		89,106
Total Net Position	\$	89,106

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, 2022

Exhibit 10

	Municipal Tax Fund
Additions:	
Ad Valorem Taxes for Other Governments	\$ 791,655
Collection of Civil Fees	-
Total Additions	791,655
Deductions:	
Tax Distributions to Other Governments	773,444
Disbursement of Civil Fees	-
Total Deductions	773,444
Net Increase (Decrease) in Fiduciary Net Position	18,211
Net Position, Beginning	70,895
Net Position, Ending	\$ 89,106

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, 2022**

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, Representative Payee Fund, Pest Management Fund, Fines and Forfeitures Fund, Tornado Donations Fund, Sherriff's Grant Fund, and Opioid Settlement Fund are reported as nonmajor special revenue funds. The Op Extension Building Fund, Library Co-Op Construction, Water Access-Phase 1 Fund, Disaster Recovery Fund, and Animal Shelter Project 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:

	Tax Revaluation	\$	224,317
	Unspent ARP Fund		136,078
	Unspent Tornado donations		37,938
	Unspent Opioid funds		34,508
	Water Access - Phase 1 Fund		50,940
	Unspent Grant monies		84,270
	USDA Reserves Account		25,159
Total Governmental Activities		\$	<u>593,210</u>
Business-type Activities			
Water District Regional	Customer deposits	\$	296,864
	USDA Reserves Account		28,993
Total Business-type Activities		\$	<u>325,857</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, 2021. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County’s General Fund, ad valorem tax revenues are reported net of such discounts.

5. Lease Receivable

The County’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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. Right to use assets

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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 four items that meets the criterion for this category – prepaid taxes, taxes, leases, 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. Opioid Settlement Funds

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

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

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

The County received \$34,508 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

12. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$1,337,050 of fiscal recovery funds to be paid in two equal installments. The first installment of \$668,525 was received in July 2021. The second installment will be received in July 2022. County staff and the Board of Commissioners have elected to use \$1,200,971 of the ARPA funds for premium pay. The County plans on using the rest of the funds for revenue replacement in Fiscal Year 2023. The \$1,200,971 used for premium pay was transferred to the General Fund from the ARPA Fund. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined.

13. 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, 2022.

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

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.

14. 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 (LGERS), 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 \$(6,759,844) 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)	\$ 46,947,081
Less accumulated depreciation	<u>(13,992,581)</u>
Net capital assets	32,954,500
Net pension asset.	16,621
Net right to use assets	448,911
Contributions to the pension plan in the current fiscal year	4,733,544
Benefit payments and pension administration costs for pensions and OPEB	318,466
Pension and OPEB related deferrals	(8,813,803)
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	865,949
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	(19,227,025)
Compensated absences	(524,392)
Net OPEB liability	(15,329,218)
Total pension liability	(640,734)
Net pension liability	<u>(1,633,743)</u>
	(37,355,112)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	<u>68,606</u>
Total adjustment	<u>\$ (6,762,318)</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 \$ (465,422) is comprised of the following:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 1,454,546
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.	(1,365,585)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	1,389,890
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	318,466
Contributions to the pension and OPEB plan are deferred outflows of resources on the Statement of Net Position	(902,083)
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	(98,331)
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	96,499
County's portion of collective pension expense	(1,427,430)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	68,606
Total adjustment	<u>\$ (465,422)</u>

F. Subsequent Events - Date of Management Evaluation

Management has evaluated subsequent events through December 22, 2022 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

The Disaster recovery fund has a deficit fund balance of \$(2,914) due to timing issues.

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, 2022, the County's deposits had a carrying amount of \$1,399,214 and a bank balance of \$1,662,529. Of the bank balance, \$251,686 was covered by Federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2022, Bertie County had \$1,225 cash on hand.

At June 30, 2022, the carrying amount of deposits for Bertie County ABC Board was \$51,437 and the bank balance was \$119,769. 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, 2022, the County's investments consisted of \$4,643,460 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, 2022, 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
2019	1,448,639	472,913	1,921,552
2020	1,457,779	340,271	1,798,050
2021	1,524,403	217,090	1,741,493
2022	1,598,682	-	1,598,682
Total	\$ 6,029,503	\$ 1,030,275	\$ 7,059,777

4. Receivables

Receivables at the government-wide level at June 30, 2022, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Lease Receivable	Other	Total
Governmental activities:						
General	\$ 2,828,011	\$ 514,051	\$ 2,391,646	\$ 712,367	\$ 418,283	\$ 6,864,358
Other Governmental	-	-	166,285	-	-	166,285
Internal Service Fund	3,968	-	-	-	-	3,968
Total receivables	2,831,979	514,051	2,557,931	712,367	418,283	7,034,611
Allowance for doubtful accounts	(1,402,866)	(66,385)	-	-	-	(1,469,251)
Total governmental activities	\$ 1,429,113	\$ 447,666	\$ 2,557,931	\$ 712,367	\$ 418,283	\$ 5,565,360
Business-type activities:						
Regional Water District	\$ 328,941	\$ -	\$ 64,284	\$ -	\$ -	\$ 393,225
Total receivables	328,941	-	64,284	-	-	393,225
Allowance for doubtful accounts	(8,567)	-	-	-	-	(8,567)
Total business-type activities	\$ 320,374	\$ -	\$ 64,284	\$ -	\$ -	\$ 384,658

On 01/01/2022, Bertie, NC entered into a 36 month lease as Lessor for the use of 106 East Dundee St. An initial lease receivable was recorded in the amount of \$79,551. As of 06/30/2022, the value of the lease receivable is \$66,371. The lessee is required to make monthly fixed payments of \$2,226. The lease has an interest rate of 0.4760%. The buildings estimated useful life was 360 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$66,293, and Bertie, NC recognized lease revenue of \$13,258 during the fiscal year

On 07/01/2021, Bertie, NC entered into a 21 month lease as Lessor for the use of Bertie Memorial Hospital - Windsor . An initial lease receivable was recorded in the amount of \$1,442,932. As of 06/30/2022, the value of the lease receivable is \$619,193. The lessee is required to make monthly fixed payments of \$68,888. The lease has an interest rate of 0.3080%. The buildings estimated useful life was 360 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$618,400, and Bertie, NC recognized lease revenue of \$824,532 during the fiscal year.

On 11/05/2020, Bertie, NC entered into a 48 month lease as Lessor for the use of Ford F-150 . An initial lease receivable was recorded in the amount of \$37,829. As of 06/30/2022, the value of the lease receivable is \$26,803. The lessee is required to make monthly fixed payments of \$929. The lease has an interest rate of 2%. The vehicles estimated useful life was 60 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$26,757, and Bertie, NC recognized lease revenue of \$11,072 during the fiscal year.

5. Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2022, 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	4,577,279	348,856	(4,139,825)	786,310
Total capital assets not being depreciated	6,505,769	348,856	(4,139,825)	2,714,800
Capital assets being depreciated:				
Buildings	31,222,217	4,164,800	-	35,387,017
Improvement	1,569,916	-	-	1,569,916
Equipment	4,541,755	289,064	-	4,830,819
Vehicles and motor equipment	2,164,687	227,761	-	2,392,448
Total capital assets being depreciated	39,498,575	4,681,625	-	44,180,200
Less accumulated depreciation for:				
Buildings	7,653,519	684,227	-	8,337,746
Improvements	752,810	75,840	-	828,650
Equipment	3,024,859	327,186	-	3,352,045
Vehicles and motor equipment	1,310,787	163,353	-	1,474,140
Total accumulated depreciation	12,741,975	\$ 1,250,606	\$ -	13,992,581
Total capital assets being depreciated, net	26,756,600			30,187,619
Governmental activity capital assets, net	<u>\$ 33,262,369</u>			<u>\$ 32,902,419</u>
Internal Service Funds:				
Capital assets being depreciated:				
Building, improvements, and equipment	\$ 305,185	-	-	\$ 305,185
	305,185	-	-	305,185
Less accumulated depreciation for:				
Building, improvements, and equipment	240,881	12,223	-	253,104
Total accumulated depreciation	240,881	12,223	-	253,104
Total capital assets being depreciated, net	64,304			52,081
Internal Service Fund capital assets, net	<u>\$ 64,304</u>			<u>\$ 52,081</u>
Combined Governmental Activity and Internal Service Funds, net	<u>\$ 33,326,673</u>			<u>\$ 32,954,500</u>

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

General government	\$ 690,617
Public safety	401,027
Human services	75,803
Parks and recreation	83,159
Internal Service fund	-
Total depreciation expense	<u>\$ 1,250,606</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Water Districts				
Capital assets not being depreciated:				
Land	\$ 129,994	\$ -	\$ -	\$ 129,994
Construction in progress	-	-	-	-
Total capital assets not being depreciated	129,994	-	-	129,994
Capital assets being depreciated:				
Plant and distribution systems	43,448,838	-	-	43,448,838
Vehicles	172,825	-	-	172,825
Total capital assets being depreciated	43,621,663	-	-	43,621,663
Less accumulated depreciation for:				
Plant and distribution systems	13,796,001	887,186	-	14,683,187
Vehicles	172,825	-	-	172,825
Total accumulated depreciation	13,968,826	\$ 887,186	\$ -	14,856,012
Total capital assets being depreciated, net	29,652,837			28,765,651
Water District capital assets, net	<u>\$ 29,782,831</u>			<u>\$ 28,895,645</u>

Construction commitments

The government has active construction projects as of June 30, 2022. The projects include the Library/Cooperative Extension Building and the water access projects. At June 30, 2022, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Library/Cooperative Extension Building Fund	\$ 2,133,470	\$ 572,223
Water Access - TGOW	227,052	944,447
Total	<u>\$ 2,360,522</u>	<u>\$ 1,516,670</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2022, 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	3,789	-	-	3,789
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	170,004	-	-	170,004
Less accumulated depreciation for:				
Land improvements	19,211	-	-	19,211
Furniture and equipment	16,652	2,558	-	19,210
Leasehold improvement	122,376	2,010	-	124,386
Total accumulated depreciation	158,239	\$ 4,568	\$ -	162,807
Total capital assets being depreciated, net	11,765			7,197
ABC capital assets, net	<u>\$ 15,554</u>			<u>\$ 10,986</u>

6. Right to Use Leased Assets

The County has recorded fourteen right to use leased assets. The assets are right to use assets for leased equipment. The related leases are discussed in the Leases subsection of the note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

Right to use assets	Beginning Balances	Current Additions	Current Deletions	Ending Balances
Leased equipment	\$ -	\$ 563,890	\$ -	\$ 563,890
Total right to use assets	-	563,890	-	563,890
Less accumulated amortization for:				
Leased equipment	-	114,979	-	114,979
total accumulated amortization	-	114,979	-	114,979
Right to use assets, net	<u>\$ -</u>	<u>\$ 448,911</u>	<u>\$ -</u>	<u>\$ 448,911</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, 2022, Bertie County paid the Town of Windsor \$46,466 from the water fund. For the fiscal year ending June 30, 2022, 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, 2022, were as follows:

	<u>Vendors</u>	<u>Total</u>
Governmental Activities:		
General	\$ 1,151,408	\$ 1,151,408
Other Governmental	33,361	33,361
Internal Service Fund	227	227
Total governmental funds	<u>\$ 1,184,996</u>	<u>\$ 1,184,996</u>
Business-type Activities:		
Regional Water Districts	\$ 154,035	\$ 154,035
Total business-type activities	<u>\$ 154,035</u>	<u>\$ 154,035</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, 2022, was 12.04% of compensation for law enforcement officers and 11.35% 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 \$959,663 for the year ended June 30, 2022.

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, 2022 the County reported a liability of \$1,738,025 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the County's proportion was .11333% (measured as of June 30, 2021), which was a decrease of .0121% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$620,783. At June 30, 2022, 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	\$ 552,928	\$ -
Changes of assumptions	1,091,923	-
Net difference between projected and actual earnings on pension plan investments	-	2,483,115
Changes in proportion and differences between County contributions and proportionate share of contributions	-	351,103
County contributions subsequent to the measurement date	959,663	-
Total	<u>\$ 2,604,514</u>	<u>\$ 2,834,218</u>

\$959,663 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2023	18,346
2024	(183,320)
2025	(264,545)
2026	(759,848)
2027	-
Thereafter	-
Total	<u>\$ (1,189,367)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% to 8.25% including inflation
Investment rate of return	6.50%, 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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2022 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	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 6.5%. 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 6.5 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$6,746,866	\$1,738,025	(\$2,383,961)

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, 2020, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	1
Active Plan Members	25
Total	<u>26</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, 2020 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 including inflation
Discount rate	2.25 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, 2020, 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, 2019.

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, 2022, the County reported a total pension liability of \$640,734. The total pension liability was measured as of December 31, 2020 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$60,066.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 132,432
Changes of assumptions and other inputs	155,238	26,542
County benefit payments and administrative expenses subsequent to the measurement date.	-	-
Total	<u>\$ 155,238</u>	<u>\$ 158,974</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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2023	(6,203)
2024	(2,127)
2025	4,113
2026	7,168
2027	(2,958)
Thereafter	(3,729)
	<u>\$ (3,736)</u>

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25 %)	Discount Rate (2.25 %)	1% Increase (3.25%)
Total pension liability	\$ 707,838	\$ 640,734	\$ 580,197

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

Beginning balance	\$ 675,011
Service Cost	53,924
Interest on the total pension liability	12,888
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(65,873)
Changes of assumptions or other inputs	(20,740)
Benefit payments	(14,476)
Other changes	-
Ending balance of the total pension liability	<u>\$ 640,734</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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2022 were \$397,643 which consisted of \$273,851 from the County and \$123,792 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 \$7,035 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$16,621 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. 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, 2021, the County's proportion was .08651%, which was a decrease of .00141% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$2,642. At June 30, 2022, 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	\$ 177	\$ 202
Changes of assumptions	1,212	-
Net difference between projected and actual earnings on pension plan investments	-	51
Changes in proportion and differences between County contributions and proportionate share of contributions	1,733	-
County contributions subsequent to the measurement date	1,154	-
Total	<u>\$ 4,276</u>	<u>\$ 253</u>

\$1,154 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2023	2,108
2024	414
2025	(39)
2026	386
2027	-
Total	<u>\$ 2,869</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% to 8.25% including inflation
Investment rate of return	3.00%, 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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3 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 percent) or 1-percentage-point higher (4 percent) than the current rate:

	1 % Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	(\$13,202)	(\$16,621)	(\$19,494)

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, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020.

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)	\$ 1,738,025	\$ (16,621)	n/a	\$ 1,721,404
Proportion of the Net Pension Liability (Asset)	0.11333%	0.08651%	n/a	
Total Pension Liability	-	-	640,734	640,734
Pension Expenses	620,782	2,642	60,066	683,490

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, 2021, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Employees
Inactive Members or Beneficiaries Currently Receiving Benefits	54	1
Active Members	101	25
Total	155	26

Total OPEB Liability

The County's total OPEB liability of \$16,307,679 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 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	3.54%
Healthcare cost trends	
Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2024

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, 2021	\$ 22,335,760
Changes for the year:	
Service cost	910,030
Interest	478,813
Changes of benefit terms	-
Differences between expected and actual experience	(3,161,307)
Changes in assumptions	(3,916,824)
Benefit Payments	(338,793)
Net changes	(6,028,081)
Balance at June 30, 2022	\$ 16,307,679

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$19,350,254	\$16,307,679	\$13,918,784

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$13,573,551	\$16,307,679	\$19,873,677

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$659,317. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 284,656	\$ 2,665,691
Changes of assumptions	2,383,832	3,717,250
Benefit payment and administrative costs made subsequent to the measurement date	-	-
Total	<u>\$ 2,668,488</u>	<u>\$ 6,382,941</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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2023	(729,526)
2024	(729,526)
2025	(729,526)
2026	(682,950)
2027	(842,925)
Thereafter	-
Total	<u>\$ (3,714,453)</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	\$ 552,928	\$ -
Register of Deeds	177	202
LEOSSA	-	132,432
Pensions - difference between projected and actual investment earnings		
LGERS	-	2,483,115
Register of Deeds	-	51
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	351,103
Register of Deeds	1,733	-
OPEB - difference between expected and actual experience	284,656	2,665,691
Changes in assumptions		
LGERS	1,091,923	-
OPEB	2,374,261	3,707,696
Register of Deeds	1,212	-
LEOSSA	155,238	26,542
Contributions to pension plan in 2019-2020 fiscal year		
LGERS	959,663	-
Register of Deeds	1,154	-
Prepaid taxes not yet earned (General)	-	44,183
Taxes receivable, net (General)	-	447,666
Lease receivable, net (General)	-	711,450
Special assessments receivable, net (General)	-	418,283
Total	<u>\$ 5,422,945</u>	<u>\$ 10,988,414</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, 2022.

Year Ending June 30	Amount
2023	\$ 48,115
Total	<u>\$ 48,115</u>

b. Leases

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

Agreement was executed on May 25, 2022, to lease John Deere Tractor and requires 3 yearly payments of \$38,035. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.75%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$71,024 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on November 2017, to lease Ford F-150 and requires monthly payments of \$976.22. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$36,589 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on September 2021, to lease Ford F-150 and requires monthly payments of \$876.88. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$33,881 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on September 2021, to lease Chevy Tahoe and requires monthly payments of \$802.58. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$31,010 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on April 2022, to lease Police Interceptor and requires monthly payments of \$653.65. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$28,795 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on September 2021, to lease Chevy Tahoe and requires monthly payments of \$708.56. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$27,378 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on September 2021, to lease Chevy Tahoe and requires monthly payments of \$708.56. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$27,378 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on September 2021, to lease Chevy Tahoe and requires monthly payments of \$708.56. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$27,378 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on September 2021, to lease Chevy Tahoe and requires monthly payments of \$703.2. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$27,170 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on August 2021, to lease Chevy Tahoe and requires monthly payments of \$709.60. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$26,720 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on August 2021, to lease Chevy Tahoe and requires monthly payments of \$709.60. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$26,720 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on August 2021, to lease F-150 and requires monthly payments of \$746.01. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$25,923 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on August 2021, to lease F-150 and requires monthly payments of \$746.01. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$25,923 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Agreement was executed on June 2021, to lease Chevy Tahoe and requires monthly payments of \$708.48. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a liability of \$25,286 at June 30, 2022. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

Year Ending June 30	Principal	Interest
2023	146,879	5,548
2024	149,264	3,163
2025	113,691	701
2026	31,341	93
Principal and interest	\$ 441,175	\$ 9,505

b. Installment Purchases

Serviced by the General Fund:

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, 2022 is \$467,560.

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, 2022 is \$560,051.

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, 2022 is \$267,796.

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, 2022 is \$116,495.

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, 2022 is \$994,590.

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, 2022 is \$1,116,432.

For Bertie County, the future minimum payments of these direct placement installment purchases as of June 30, 2022, including \$134,332 of interest, are:

Year Ending June 30	QZAB Bertie High		Medical Equipment		Business-type Activities		
	Principal	Interest	Principal	Interest	DENR Principal	DWSFRF Principal	DWSRF Principal
2023	109,460	-	49,419	-	11,650	62,162	69,777
2024	109,460	-	50,778	-	11,650	62,162	69,777
2025	109,460	-	52,174	-	11,650	62,162	69,777
2026	109,460	-	53,609	-	11,650	62,162	69,777
2027	29,720	-	55,083	-	11,650	62,162	69,777
2028-2032	-	-	298,988	-	58,245	310,809	348,885
Principal and interest payment totals	\$ 467,560	\$ -	\$ 560,051	\$ 88,150	\$ 116,495	\$ 994,590	\$ 1,116,432

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, 2022 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%.	\$ 17,490,443
	<u>\$ 17,490,443</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%.	\$ 1,685,000
\$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%.	2,485,000
\$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%.	1,475,000
\$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%.	2,580,000
	<u>\$ 8,225,000</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
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	-	841,460	540,000	235,969
2028-2032	-	4,207,300	2,810,000	840,834
2033-2037	17,490,443	3,766,320	2,435,000	300,956
2038-2042	-	-	455,000	27,101
Principal and interest payment totals	<u>\$ 17,490,443</u>	<u>\$ 12,180,920</u>	<u>\$ 8,225,000</u>	<u>\$ 2,567,560</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, 2022, the County has received \$1,616,000.

The future payments of the revenue bond are as follows:

Year Ending June 30	Principal	Interest
2023	28,000	43,698
2024	28,000	42,928
2025	29,000	42,158
2026	30,000	41,360
2027	31,000	40,535
2028-2032	167,000	189,421
2033-2037	190,000	165,275
2028-2042	219,000	137,611
2043-2047	250,000	105,848
2048-2052	287,000	69,521
2053-2057	330,000	27,772
Principal and interest payment totals	<u>\$ 1,589,000</u>	<u>\$ 906,127</u>

At June 30, 2022, Bertie County had a legal debt margin of \$97,807,944.

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Governmental activities:					
Direct Placement Installment purchase	\$ 2,166,915	\$ -	\$ 871,508	\$ 1,295,407	\$ 180,060
Limited obligation debt	18,450,000	-	959,557	17,490,443	-
Lease liability	-	563,890	122,715	441,175	146,879
Compensated absences	427,893	440,665	344,166	524,392	344,166
Total pension liability (LEOSSA)	675,011	-	34,277	640,734	-
Net pension liability (LGERS)	4,213,219	-	2,579,476	1,633,743	-
Net OPEB liability	20,995,614	-	5,666,396	15,329,218	-
Total governmental activities	<u>\$ 46,928,652</u>	<u>\$ 1,004,555</u>	<u>\$ 10,578,095</u>	<u>\$ 37,355,112</u>	<u>\$ 671,105</u>
Business-type activities:					
Direct Placement Installment purchase	\$ 2,406,862	\$ -	\$ 179,345	\$ 2,227,517	\$ 143,589
Limited obligation debt	8,680,000	-	455,000	8,225,000	465,000
Revenue bond	1,616,000	-	27,000	1,589,000	28,000
Original issue discount	(33,255)	-	2,166	(31,089)	(2,166)
Original issue premium	397,384	-	25,903	371,481	25,903
Compensated absences	20,340	22,364	20,340	22,364	22,364
Net pension liability (LGERS)	268,929	-	164,648	104,281	-
Net OPEB liability	1,340,146	-	361,685	978,461	-
Total business-type activities	<u>\$ 14,696,405</u>	<u>\$ 22,364</u>	<u>\$ 1,236,087</u>	<u>\$ 13,487,015</u>	<u>\$ 682,690</u>
Discretely presented component unit:					
Net pension liability (LGERS)	\$ 17,867	\$ -	\$ -	\$ 17,867	\$ -
Net OPEB liability	361,265	-	-	361,265	-
Total discretely presented component unit	<u>\$ 379,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379,132</u>	<u>\$ -</u>

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, 2022, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2022, consist of the following:

Transfer from the Capital Reserve Schools to the General Fund for debt services.	\$ 733,637
Transfer from the General Fund to the Animal Shelter Fund to accumulate resources for the a project.	(300,000)
Transfer from the General Fund to the Revaluation Fund to accumulate resources for the revaluation of real property.	(80,000)
	<u>\$ 353,637</u>

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 32,902,419	\$ 28,895,645
Less: long-term debt	(18,785,850)	(12,041,517)
Add: debt related to assets not owned by the County	-	-
Net investment in capital assets	<u>\$ 14,116,569</u>	<u>\$ 16,854,128</u>

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	\$ 5,792,525
Less:	
Stabilization by State Statute	3,819,705
Tax Revaluation	224,317
Education	16,267
Leases	917
Remaining Fund Balance	1,731,319

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, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$136,413 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, 2022. 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, 2022. 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, 2022. 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, 2022.

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, 2022, 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.

VII. 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, 2022, the fair market value of the lease was \$418,283.

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.

VIII. Significant Effects of Subsequent Events

There are no subsequent events that would have a material affect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

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 Nine Fiscal Years*

Local Government Employees' Retirement System

	<u>2022</u>	<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) (%)	0.11333%	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) (\$)	\$ 1,738,024	\$ 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	\$ 8,022,976	\$ 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	21.66%	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	95.51%	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 Nine Fiscal Years**

Local Government Employees' Retirement System

	<u>2022</u>	<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	\$ 959,663	\$ 823,194	\$ 703,368	\$ 604,727	\$ 547,481	\$ 523,363	\$ 445,210	\$ 428,252	\$ 354,841
Contributions in relation to the contractually required contribution	959,663	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>	<u>\$ -</u>
County's covered-employee payroll	\$ 8,377,004	\$ 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	11.46%	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 Nine Fiscal Years*

Registers of Deeds' Supplemental Pension Fund

	<u>2022</u>	<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) (%)	0.08651%	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) (\$)	\$ (16,621)	\$ (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	156.53%	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 Nine Fiscal Years**

Registers of Deeds' Supplemental Pension Fund

	<u>2022</u>	<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	\$ 1,154	\$ 1,038	\$ 936	\$ 916	\$ 1,002	\$ 1,068	\$ 973	\$ 960	\$ 1,003
Contributions in relation to the contractually required contribution	1,154	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>	<u>\$ -</u>

Bertie County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
June 30, 2022

	2022	2021	2020	2019	2018	2017
Beginning balance	675,011	500,459	463,820	462,633	475,161	457,728
Service Cost	53,924	36,843	33,158	37,612	29,088	26,421
Interest on the total pension liability	12,888	16,079	16,620	14,390	18,062	16,082
Differences between expected and actual experience in the measurement of the total pension liability	(65,873)	(63,713)	(16,078)	(15,725)	(75,901)	-
Changes of assumptions or other inputs	(20,740)	199,819	17,415	(20,614)	30,699	(10,594)
Benefit payments	(14,476)	(14,476)	(14,476)	(14,476)	(14,476)	(14,476)
Ending balance of the total pension liability	<u>\$ 640,734</u>	<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, 2022

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 640,734	\$ 675,011	\$ 500,459	\$ 463,820	\$ 462,633	\$ 475,161
Covered payroll	1,297,930	1,309,035	1,206,025	1,221,743	1,140,114	1,049,983
Total pension liability as a percentage of covered payroll	49.37%	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, 2022

Total OPEB Liability	2022	2021	2020	2019	2018
Service cost	\$ 910,030	926,619	859,320	737,297	787,570
Interest	478,813	490,917	590,388	571,511	520,792
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(3,161,307)	(68,791)	335,773	81,065	111,283
Changes of assumptions	(3,916,824)	(123,504)	3,005,449	1,192,035	(937,941)
Benefit payments	(338,793)	(350,662)	(392,596)	(417,726)	(420,356)
Net change in total OPEB liability	(6,028,081)	874,579	4,398,334	2,164,182	61,348
Total OPEB liability - beginning	22,335,760	21,461,181	17,062,847	14,898,665	14,837,317
Total OPEB liability - ending	\$ 16,307,679	22,335,760	21,461,181	17,062,847	14,898,665
Covered payroll	\$ 5,421,133	5,421,133	5,421,133	4,875,577	4,875,577
County's OPEB liability as a percentage of its covered payroll	300.82%	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%
2022	3.54%

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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$	\$ 12,241,062	\$
Penalties and Interest		120,956	
Total	<u>12,620,826</u>	<u>12,362,018</u>	<u>(258,808)</u>
Other Taxes and Licenses:			
Local 1 percent sales tax-article 39		510,441	
Excise tax		98,799	
Motor vehicle lease tax		91	
Scrap tire disposal tax		34,285	
Total	<u>519,030</u>	<u>643,616</u>	<u>124,586</u>
Unrestricted Intergovernmental Revenues:			
Wine and beer		48,153	
Solid waste disposal tax		12,173	
Payment in lieu of taxes		44,246	
Local 1/2¢ sales tax-article 40		1,388,487	
Local 1/2¢ sales tax-article 42		591,245	
Local 1/2¢ sales tax-article 44		869,057	
Local 1/4¢ sales tax-article 46		310,400	
State DWI		1,188	
Medicaid EMS cost settlement		287,702	
Total	<u>2,950,993</u>	<u>3,552,651</u>	<u>601,658</u>
Restricted Intergovernmental Revenues:			
State and federal grants		242,694	
Other grants		60,098	
Court facilities fees		30,437	
Profits for law enforcement		152,498	
Aging office		326,322	
Social services revenues		3,819,517	
Total	<u>4,754,468</u>	<u>4,631,566</u>	<u>(122,902)</u>
Permits and fees:			
Register of deeds		73,854	
Sheriff fees		17,955	
Inspection fees		102,060	
Tax collection fees		13,048	
Franchise fees		10,003	
Cultural Resources		2,390	
Social Services		2,208	
ABC taxes		28,456	
Other Fees		27,998	
Total	<u>271,775</u>	<u>277,972</u>	<u>6,197</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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Jail fees		3,667	
Landfill host fees		2,230,368	
Emergency medical services fees		1,236,039	
Non-emergency transport		715,932	
Nutrition program income		10,670	
Rental income		48,775	
Other sales and services income		5,369	
Total	4,135,025	4,250,820	115,795
Investment Earnings: Interest	30,000	7,385	7,385
Miscellaneous:			
Other taxes		3,838	
Other revenues		24,473	
Insurance claims reimbursement		145,175	
Motor fuel refund		59,911	
Hospital Lease Revenue		483,130	
Utilities revenue		23,679	
Indirect cost		224,677	
Fine		66,550	
Attorney fees - foreclosures		51,452	
Total	1,014,313	1,082,885	68,572
TOTAL REVENUES	26,296,430	26,808,913	542,483

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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Expenditures:			
General Government			
Governing body			
Salaries and employee benefits		81,810	
Other operating expenditures		91,048	
Total	180,694	172,858	7,836
Administration			
Salaries and employee benefits		334,271	
Other operating expenditures		20,267	
Total	366,979	354,538	12,441
Tax administration			
Salaries and employee benefits		439,573	
Other operating expenditures		193,978	
Capital Outlay		95,001	
Total	753,252	728,552	24,700
Information technology			
Salaries and employee benefits		192,795	
Other operating expenditures		84,841	
Capital outlay		-	
Total	287,209	277,636	9,573
Legal			
Contracted services	126,858	126,857	1
Register of Deeds			
Salaries and employee benefits		203,179	
Other operating expenditures		140,829	
Capital Outlay		-	
Total	365,613	344,008	21,605
Elections			
Salaries and employee benefits		170,170	
Other operating expenditures		118,482	
Total	289,911	288,652	1,259
Public Buildings			
Salaries and employee benefits		520,569	
Other operating expenditures		233,595	
Capital outlay		66,017	
Total	825,440	820,181	5,259
Human Resources			
Salaries and employee benefits		66,191	
Other operating expenditures		13,564	
Total	82,597	79,755	2,842

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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Finance			
Salaries and employee benefits		245,452	
Other operating expenditures		63,541	
Total	314,598	308,993	5,605
Court Facilities			
Other operating expenditures		83,962	
Total	96,580	83,962	12,618
Appropriations			
Retiree health insurance	380,000	342,409	37,591
Total General Government	4,069,731	3,928,401	141,330
Public Safety			
Sheriff			
Salaries and employee benefits		2,087,938	
Other operating expenditures		1,061,792	
Capital outlay		217,745	
Total	3,368,801	3,367,475	1,326
Communication			
Salaries and employee benefits		493,638	
Other operating expenditures		25,851	
Total	600,543	519,489	81,054
Emergency management			
Salaries and employee benefits		98,836	
Other operating expenditures		420,057	
Total	547,694	518,893	28,801
Emergency services			
Salaries and employee benefits		2,126,354	
Other operating expenditures		444,618	
Capital outlay		237,394	
Total	2,817,772	2,808,366	9,406
Non-emergency transportation			
Salaries and employee benefits		446,361	
Other operating expenditures		176,630	
Capital outlay		2,855	
Total	635,207	625,846	9,361
Planning and inspections			
Salaries and employee benefits		231,855	
Other operating expenditures		39,260	
Capital outlay		17,458	
Total	340,521	288,573	51,948

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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Animal control			
Salaries and employee benefits		151,917	
Other operating expenditures		26,570	
Capital outlay		21,509	
Total	<u>212,063</u>	<u>199,996</u>	<u>12,067</u>
Medical examiner			
Professional services	<u>19,000</u>	<u>16,800</u>	<u>2,200</u>
Pandemic Recovery Response			
Salaries and employee benefits		-	
Other operating expenditures		-	
Capital outlay		-	
Total	<u>-</u>	<u>-</u>	<u>-</u>
Appropriations			
Bertie-Martin Regional Jail		1,147,006	
Hurricane Isaias		-	
Total	<u>1,147,006</u>	<u>1,147,006</u>	<u>-</u>
Total Public Safety	<u>9,688,607</u>	<u>9,492,444</u>	<u>196,163</u>
Economic and Physical Development			
Economic development			
Salaries and employee benefits		84,586	
Other operating expenditures		40,908	
Total	<u>179,840</u>	<u>125,494</u>	<u>54,346</u>
Cooperative extension			
Salaries and employee benefits		149,740	
Other operating expenditures		26,606	
Capital outlay		35,263	
Total	<u>289,974</u>	<u>211,609</u>	<u>78,365</u>
Soil conservation			
Salaries and employee benefits		75,793	
Other operating expenditures		2,600	
Total	<u>84,186</u>	<u>78,393</u>	<u>5,793</u>
Total Economic and Physical Development	<u>554,000</u>	<u>415,496</u>	<u>138,504</u>
Human Services			
Health department			
Administration	<u>109,377</u>	<u>109,376</u>	<u>1</u>
Veteran services			
Salaries and employee benefits		54,688	
Other operating expenditures		1,676	
Total	<u>57,422</u>	<u>56,364</u>	<u>1,058</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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Aid to aging and nutrition			
Salaries and employee benefits		208,767	
Other operating expenditures		322,398	
Capital outlay		-	
Total	<u>547,566</u>	<u>531,165</u>	<u>16,401</u>
Appropriations			
Indigent care		70,000	
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Choanoke Public Transit Authority		10,000	
Total	<u>129,390</u>	<u>129,390</u>	<u>-</u>
Total Human Services	<u>843,755</u>	<u>826,295</u>	<u>17,460</u>
Environmental Protection			
Tire disposal		38,861	
Convenience centers		469,392	
Contracted services		4,065	
Total Environmental Protection	<u>516,392</u>	<u>512,318</u>	<u>4,074</u>
Education			
Public schools current expense		3,338,071	
Public schools capital outlay		375,000	
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>3,858,846</u>	<u>3,858,846</u>	<u>-</u>
Cultural and Recreational			
Parks and recreation			
Salaries and employee benefits		162,893	
Other operating expenditures		64,725	
Capital outlay		7,174	
Total	<u>298,804</u>	<u>234,792</u>	<u>64,012</u>
Library			
Other operating expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Cultural and Recreational	<u>298,804</u>	<u>234,792</u>	<u>64,012</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, 2022

	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		2,610,373	
Other operating expenditures		208,060	
Capital outlay		-	
Total	<u>3,100,717</u>	<u>2,818,433</u>	<u>282,284</u>
Programs			
Public assistance		504	
SAA		175,462	
State Foster care		48,621	
Medicaid		3,147	
Legal services		62,686	
Chore services		42,630	
Adoption assistance		17,931	
Foster Child Adoption Incentive		1,425	
Transport of patients and other		95,804	
Work First		70	
AFDC - Foster Care		1,902	
AFDC - Local		-	
Crisis Intervention		115,008	
Aid to blind		1,903	
Low Income Home Energy		177,800	
DNA testing		59,742	
Child support		469,400	
Adult Protective Services		-	
Child Protective Services		-	
Pandemic LIEAP		539,207	
Total	<u>2,141,160</u>	<u>1,813,242</u>	<u>327,918</u>
Total Social Services	<u>5,241,877</u>	<u>4,631,675</u>	<u>610,202</u>
Debt Services			
Principal retirement		1,953,780	
Interest and fees		884,711	
Total	<u>2,840,779</u>	<u>2,838,491</u>	<u>2,288</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Special Appropriations			
Arts Council		3,000	
Airport		20,000	
Mideast Commission		6,863	
Roanoke River Partners		5,000	
Forest service		116,056	
Historical group		15,000	
Bertie County YMCA		20,000	
Library		136,413	
Juvenile detention		18,666	
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		1,000	
Rural general public transportation		68,395	
Highway 17 Association		4,000	
Three Rivers Healthy Carolina		250	
Children Matters		33,325	
Humane Society		2,000	
Vocation Jobs/Education		36,300	
Second Chance Counts		53,500	
Relay for Life		2,000	
Schools-fines and foreitures		64,100	
Resolutions Teen Court		22,700	
BMRJ Feasibility Study		-	
Total Special Appropriations	<u>942,877</u>	<u>672,061</u>	<u>28,816</u>
TOTAL EXPENDITURES	<u>28,855,668</u>	<u>27,410,819</u>	<u>1,202,849</u>
Revenues over (under) expenditures	(2,559,238)	(601,906)	(660,366)
Other financing sources (uses):			
Lease liabilities issued		563,890	
Transfers from other funds:			
Capital Reserve Schools Fund		733,637	
Transfers to other funds:			
Tax Revaluation Fund		(80,000)	
Animal Shelter Fund		(300,000)	
Water Access - Phase 1 Fund		-	
Total other financing sources and (uses)	<u>2,559,238</u>	<u>917,527</u>	<u>1,641,711</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>315,621</u>	<u>981,345</u>
Net change in fund balance	\$ <u>-</u>	315,621	\$ <u>315,621</u>
Fund balance - beginning		<u>5,236,326</u>	
Fund balance - ending		<u>\$ 5,551,947</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, 2022

	2022		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		144,317	
Fund balance, ending		<u>\$ 224,317</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, 2022

	2022		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Investment earnings	\$ 1,000	\$ 48	\$ (952)
Lottery funds	300,000	-	(300,000)
QSCB interest	-	734,499	734,499
Total Revenues	<u>301,000</u>	<u>734,547</u>	<u>433,547</u>
Other Financing Sources (Uses):			
Transfer out - General Fund	<u>(2,785,715)</u>	<u>(733,637)</u>	<u>2,052,078</u>
Total transfers	<u>(2,785,715)</u>	<u>(733,637)</u>	<u>2,052,078</u>
Revenues and Other Sources			
Over (Under) Expenditures	(2,484,715)	910	2,485,625
Appropriated fund balance	<u>2,484,715</u>	<u>-</u>	<u>(2,484,715)</u>
Revenues, other sources (uses), and appropriated fund balance over (under) expenditures	\$ <u><u>-</u></u>	910	\$ <u><u>910</u></u>
Fund Balance, beginning		<u>15,357</u>	
Fund Balance, ending		<u><u>\$ 16,267</u></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, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
Grants	\$ 2,000,000	\$ -	\$ 1,200,971	\$ 1,200,971	\$ (799,029)
Total Revenues	<u>2,000,000</u>	<u>-</u>	<u>1,200,971</u>	<u>1,200,971</u>	<u>(799,029)</u>
Expenditures:					
Economic and physical development	2,000,000	-	1,200,971	1,200,971	799,029
Total Expenditures	<u>2,000,000</u>	<u>-</u>	<u>1,200,971</u>	<u>1,200,971</u>	<u>799,029</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ -</u>		

**Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents	\$ 268,261	\$ 323,205	\$ 591,466
Restricted cash	156,716	50,940	207,656
Accounts receivable, net	12,015	154,270	166,285
Total Assets	\$ 436,992	\$ 528,415	\$ 965,407
Liabilities and Fund Balances:			
Current liabilities:			
Accounts payable	\$ 788	\$ 32,573	\$ 33,361
Advance from other governments	34,508	-	34,508
Due from other funds	-	2,914	2,914
Total liabilities	35,296	35,487	70,783
Fund Balances:			
Restricted			
Stabilization by State Statute	12,015	154,270	166,285
Unassigned	389,681	338,658	728,339
Total fund balances	401,696	492,928	894,624
Total liabilities, deferred inflows of resources, and fund balances	\$ 436,992	\$ 528,415	\$ 965,407

**Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022**

	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	Tornado Donations Fund	Sheriff's Grant Fund	Opioid Settlement Fund	Total Nonmajor Special	Library Co-Op Extension Building Fund	Library Co- Op Construction	Water Access - Phase 1 Fund	EMS Building Fund	Disaster Recovery Fund	Animal Shelter Project Fund	Capital Project - Schools			
Assets:																		
Cash and investments	\$ 252,880	\$ 6,788	\$ 8,593	\$ -	\$ -	\$ -	\$ 268,261	\$ 20,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 2,923	\$ 323,205	\$ 591,466	
Restricted cash	-	-	-	-	37,938	84,270	156,716	34,508	-	-	50,940	-	-	-	-	50,940	207,656	
Accounts receivable (net)	12,015	-	-	-	-	-	12,015	-	26,607	23,553	104,110	-	-	-	-	154,270	166,285	
Total Assets	\$ 264,895	\$ 6,788	\$ 8,593	\$ -	\$ 37,938	\$ 84,270	\$ 436,992	\$ 20,282	\$ 26,607	\$ 74,493	\$ 104,110	\$ -	\$ -	\$ 300,000	\$ 2,923	\$ 528,415	\$ 965,407	
Liabilities:																		
Accounts payable	\$ 788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788	\$ -	\$ -	\$ 29,650	\$ -	\$ -	\$ -	\$ 2,923	\$ 32,573	\$ 33,361	\$ 33,361	
Unearned revenue	-	-	-	-	-	-	34,508	34,508	-	-	-	-	-	-	-	-	34,508	
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	2,914	-	-	2,914	2,914	2,914	
Total liabilities	788	-	-	-	-	-	34,508	35,296	-	29,650	-	2,914	-	2,923	35,487	70,783	70,783	
Fund Balances:																		
Restricted																		
Stabilization by State Statute	12,015	-	-	-	-	-	12,015	-	26,607	23,553	104,110	-	-	-	154,270	166,285		
Unassigned	252,092	6,788	8,593	-	37,938	84,270	389,681	20,282	-	21,290	-	(2,914)	300,000	-	338,658	728,339		
Total fund balances	264,107	6,788	8,593	-	37,938	84,270	401,696	20,282	26,607	44,843	104,110	(2,914)	300,000	-	492,928	894,624		
Total liabilities and fund balances	\$ 264,895	\$ 6,788	\$ 8,593	\$ -	\$ 37,938	\$ 84,270	\$ 436,992	\$ 20,282	\$ 26,607	\$ 74,493	\$ 104,110	\$ -	\$ 300,000	\$ 2,923	\$ 528,415	\$ 965,407		

Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Investment earnings	\$ 318	\$ -	\$ 318
Intergovernmental revenues	334,131	360,917	695,048
Miscellaneous	6,430	1,975	8,405
Total revenues	<u>340,879</u>	<u>362,892</u>	<u>703,771</u>
Expenditures:			
Current:			
Public safety	72,247	-	72,247
General government	67,746	-	67,746
Economic and physical development	-	253,856	253,856
Total Expenditures	<u>139,993</u>	<u>253,856</u>	<u>393,849</u>
Revenues Over (Under) Expenditures	<u>200,886</u>	<u>109,036</u>	<u>309,922</u>
Transfer from General Fund	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net change in Fund Balance	200,886	409,036	609,922
Fund balances:			
Fund balance, beginning	200,810	83,892	284,702
End of year, June 30	<u>\$ 401,696</u>	<u>\$ 492,928</u>	<u>\$ 894,624</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, 2022

	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	Tornado Donations Fund	Sheriff's Grant Fund	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds	Library Co-Op Extension Building Fund	Library Co-Op Construction Fund	Water Access - Phase 1 Fund	EMS Building Fund	Disaster Recovery Fund	Animal Shelter Project Fund			Capital Project - Schools
Revenues:																	
Investment earnings	\$ 318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318
Intergovernmental revenues	144,177	-	-	57,618	48,066	84,270	334,131	-	59,889	219,395	-	81,633	-	-	-	360,917	695,048
Miscellaneous	-	-	6,430	-	-	-	6,430	-	1,975	-	-	-	-	-	-	1,975	8,405
Total revenues	144,495	-	6,430	57,618	48,066	84,270	340,879	-	61,864	219,395	-	81,633	-	-	-	362,892	703,771
Expenditures:																	
Current:																	
Public safety	66,449	328	5,470	-	-	-	72,247	-	-	-	-	-	-	-	-	-	72,247
General government	-	-	-	57,618	10,128	-	67,746	-	-	-	-	-	-	-	-	-	67,746
Economic and physical development	-	-	-	-	-	-	-	-	152,354	101,502	-	-	-	-	-	253,856	253,856
Total Expenditures	66,449	328	5,470	57,618	10,128	-	139,993	-	152,354	101,502	-	-	-	-	-	253,856	393,849
Excess (deficiency) of revenues over (under) expenditures	78,046	(328)	960	-	37,938	84,270	200,886	-	(90,490)	117,893	-	81,633	-	-	-	109,036	309,922
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000	300,000
Net change in Fund Balance	78,046	(328)	960	-	37,938	84,270	200,886	-	(90,490)	117,893	-	81,633	300,000	-	-	409,036	609,922
Fund balance, beginning	186,061	7,116	7,633	-	-	-	200,810	20,282	117,097	(73,050)	104,110	(84,547)	-	-	-	83,892	284,702
Fund balance, ending	\$ 264,107	\$ 6,788	\$ 8,593	\$ -	\$ 37,938	\$ 84,270	\$ 401,696	\$ 20,282	\$ 26,607	\$ 44,843	\$ 104,110	\$ (2,914)	\$ 300,000	\$ -	\$ -	\$ 492,928	\$ 894,624

Bertie County, North Carolina
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2022

		Municipal Tax Fund
Assets:		
Cash and Cash Equivalents	\$	-
Restricted Cash		-
Accounts Receivable		-
Taxes Receivable (Net)		89,106
Total Assets		89,106
 Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable and Accrued Liabilities		-
Due to Other Funds		-
Total Liabilities		-
Deferred Inflows		
Deferred Revenues		-
Total Deferred Inflows of Resources		-
Net Position		
Restricted for:		
Individuals, Organizations, and Other Governments		89,106
Total Net Position	\$	89,106

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, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Investment earnings	\$ 500	\$ 318	\$ (182)
Intergovernmental revenues	144,177	144,177	-
Miscellaneous	-	-	-
Total Revenues	<u>144,677</u>	<u>144,495</u>	<u>(182)</u>
Expenditures			
Current:			
Public safety	\$ 144,677	\$ 66,449	\$ 78,228
Total Expenditures	<u>144,677</u>	<u>66,449</u>	<u>78,228</u>
Appropriated fund balance	<u>-</u>	-	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	78,046	<u>\$ 78,046</u>
Fund balance, beginning		186,061	
Fund balance, ending		<u>\$ 264,107</u>	

Bertie County, North Carolina
Representative Payee Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest earned	\$ -	\$ -	\$ -
Intergovernmental revenues	<u>328</u>	<u>-</u>	<u>(328)</u>
Total Revenues	<u>328</u>	<u>-</u>	<u>(328)</u>
Expenditures			
Current:			
Public safety	\$ <u>328</u>	\$ <u>328</u>	\$ <u>-</u>
Total Expenditures	<u>328</u>	<u>328</u>	<u>-</u>
Revenues Over (Under) Expenditures	\$ <u>-</u>	<u>(328)</u>	\$ <u>(328)</u>
Fund balance, beginning		<u>7,116</u>	
Fund balance, ending		<u>\$ <u>6,788</u></u>	

Bertie County, North Carolina
Statement of Changes in Fiduciary Net Position
Custodial Fund
June 30, 2022

		Municipal Tax Fund
Additions:		
Ad Valorem Taxes for Other Governments	\$	791,655
Collection of Civil Fees		-
Total Additions		791,655
Deductions:		
Tax Distributions to Other Governments		773,444
Disbursement of Civil Fees		-
Total Deductions		773,444
Net Increase (Decrease) in Fiduciary Net Position		18,211
Net Position, Beginning		70,895
Net Position, Ending	\$	89,106

Bertie County, North Carolina
Pest Management Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest earned	\$ -	\$ -	\$ -
Intergovernmental revenues	<u>7,500</u>	<u>6,430</u>	<u>(1,070)</u>
Total Revenues	<u>7,500</u>	<u>6,430</u>	<u>(1,070)</u>
Expenditures			
Current:			
Public safety	\$ <u>7,500</u>	\$ <u>5,470</u>	\$ <u>2,030</u>
Total Expenditures	<u>7,500</u>	<u>5,470</u>	<u>2,030</u>
Revenues Over (Under) Expenditures	\$ <u>-</u>	960	\$ <u>960</u>
Fund balance, beginning		<u>7,633</u>	
Fund balance, ending		<u>\$ <u>8,593</u></u>	

Bertie County, North Carolina
Fines and Forfeitures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest earned	\$ -	\$ -	\$ -
Intergovernmental revenues	<u>70,000</u>	<u>66,550</u>	<u>(3,450)</u>
Total Revenues	<u>70,000</u>	<u>66,550</u>	<u>(3,450)</u>
Expenditures			
Current:			
Public safety	\$ <u>70,000</u>	\$ <u>66,550</u>	\$ <u>3,450</u>
Total Expenditures	<u>70,000</u>	<u>66,550</u>	<u>3,450</u>
Revenues Over (Under) Expenditures	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balance, beginning		-	
Fund balance, ending		<u><u>\$ -</u></u>	

Bertie County, North Carolina
Tornado Donations Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest earned	\$ -	\$ -	\$ -
Intergovernmental revenues	<u>15,000</u>	<u>48,066</u>	<u>33,066</u>
Total Revenues	<u>15,000</u>	<u>48,066</u>	<u>33,066</u>
Expenditures			
Current:			
General government	\$ <u>15,000</u>	\$ <u>10,128</u>	\$ <u>4,872</u>
Total Expenditures	<u>15,000</u>	<u>10,128</u>	<u>4,872</u>
Revenues Over (Under) Expenditures	\$ <u>-</u>	37,938	\$ <u>37,938</u>
Fund balance, beginning		-	
Fund balance, ending		\$ <u>37,938</u>	

Bertie County, North Carolina
Sheriff's Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest earned	\$ -	\$ -	\$ -
Intergovernmental revenues	<u>100,000</u>	<u>84,270</u>	<u>(15,730)</u>
Total Revenues	<u>100,000</u>	<u>84,270</u>	<u>(15,730)</u>
Expenditures			
Current:			
Public safety	\$ <u>100,000</u>	\$ -	\$ <u>100,000</u>
Total Expenditures	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Revenues Over (Under) Expenditures	\$ <u>-</u>	84,270	\$ <u>84,270</u>
Fund balance, beginning		-	
Fund balance, ending		\$ <u>84,270</u>	

Bertie County, North Carolina
Opioid Settlement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest earned	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public safety	\$ -	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

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 Extension Building Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2022

	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, 2022

	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	1,944,553	59,889	2,004,442	1,999,442
Miscellaneous	-	25,044	1,975	27,019	27,019
Total Revenues	<u>4,551,050</u>	<u>4,105,924</u>	<u>61,864</u>	<u>4,167,788</u>	<u>(383,262)</u>
Expenditures:					
Economic and physical development	<u>4,551,050</u>	<u>4,108,827</u>	<u>152,354</u>	<u>4,261,181</u>	<u>289,869</u>
Total Expenditures	<u>4,551,050</u>	<u>4,108,827</u>	<u>152,354</u>	<u>4,261,181</u>	<u>289,869</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>117,097</u>	(90,490)	\$ <u>26,607</u>	\$ <u>26,607</u>
Fund Balance, beginning			<u>117,097</u>		
Fund Balance, ending			\$ <u>26,607</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, 2022

	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, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
State grant	\$ 1,000,000	\$ -	\$ 81,633	\$ 81,633	\$ (918,367)
Total Revenues	<u>1,000,000</u>	<u>-</u>	<u>81,633</u>	<u>81,633</u>	<u>(918,367)</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>	81,633	\$ <u>(2,914)</u>	\$ <u>(2,914)</u>
Fund Balance, beginning			(84,547)		
Fund Balance, ending			\$ <u>(2,914)</u>		

Bertie County, North Carolina
Capital Projects - Schools
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grants	\$ 500,000	\$ 2,923	\$ -	\$ 2,923	\$ (497,077)
Total Revenues	<u>500,000</u>	<u>2,923</u>	<u>-</u>	<u>2,923</u>	<u>(497,077)</u>
Expenditures:					
Engineering	495,000	-	-	-	495,000
Administration	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Revenues over (under) expenditures	-	2,923	-	2,923	2,923
Other Financing Sources (Uses):					
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under)	<u>\$ -</u>	<u>\$ 2,923</u>	<u>\$ -</u>	<u>\$ 2,923</u>	<u>\$ 2,923</u>

**Bertie County, North Carolina
Animal Shelter Capital Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2022**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grants	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Total Revenues	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Expenditures:					
Engineering	495,000	-	-	-	495,000
Administration	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>(300,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>(300,000)</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>300,000</u>	\$ <u>300,000</u>	\$ <u>(300,000)</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, 2022**

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Operating Revenues:			
Charges for services			
Sewage and garbage collection fees	\$	\$ 7,245	\$
Tap fees		76,250	
Service fees		75	
Connetion fees		16,300	
Reconnection fees		11,207	
Penalties		53,384	
Sale of water		2,939,791	
Other operating revenue		10,947	
Total Operating Revenues	<u>2,664,750</u>	<u>3,115,199</u>	<u>450,449</u>
Nonoperating Revenues:			
Investment earnings		2,882	
Total Nonoperating Revenues	<u>6,000</u>	<u>2,882</u>	<u>(3,118)</u>
Total Revenues	<u>2,670,750</u>	<u>3,118,081</u>	<u>447,331</u>
Administration Expenditures:			
Salaries and employment benefits		479,490	
Other administration expenditures		1,083,143	
Total Administration Expenditures	<u>1,586,449</u>	<u>1,562,633</u>	<u>23,816</u>
Operating Expenditures:			
Repairs and Maintenance		32,094	
Other operating expenditures		29,916	
Total Operating Expenditures	<u>63,066</u>	<u>62,010</u>	<u>1,056</u>
Debt service:			
Principal		608,700	
Interest, fees and amortization		365,403	
Total Operating Revenues	<u>1,060,271</u>	<u>974,103</u>	<u>86,168</u>
Capital Outlay	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Total Expenditures	2,929,786	2,598,746	331,040
Revenues Over (Under) Expenditures	(259,036)	519,335	778,371
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>259,036</u>	<u>35,089</u>	<u>223,947</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ <u>-</u>	554,424	\$ <u>554,424</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, 2022**

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		554,424	
Reconciling items:			
Depreciation and amortization		(887,186)	
Capital outlay		-	
Expenses from capital projects		(79,187)	
Debt principal		661,345	
Capital contributions		79,186	
Interest earnings		2,882	
Increase (decrease) in deferred outflows of resources - pensions and OPEB		37,212	
(Increase) decrease in net pension liability		164,647	
(Increase) decrease in deferred inflows of resources - pensions and OPEB		(501,933)	
(Increase) decrease in net OPEB liability		361,685	
(Increase) decrease in accrued vacation payable		(2,024)	
Change in net position		\$ 391,051	

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, 2022

	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	1,132,878	-	1,132,878	(150,530)
Transfer from Water	26,787	26,787	-	26,787	-
Total Other Financing Sources (Uses)	<u>1,310,195</u>	<u>1,159,665</u>	<u>-</u>	<u>1,159,665</u>	<u>(150,530)</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>(36,751)</u>	<u>-</u>	\$ <u>(36,751)</u>	\$ <u>(36,751)</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, 2022

	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, 2022

	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	81,483	-	81,483	(43,975)
Total Other Financing Sources (Uses)	<u>125,458</u>	<u>81,483</u>	<u>-</u>	<u>81,483</u>	<u>(43,975)</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>(6,777)</u>	\$ <u>-</u>	\$ <u>(6,777)</u>	\$ <u>(6,777)</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, 2022

	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/local funds	-	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, 2022

	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	\$ 33,041	\$ 95,694	\$ (54,306)
Total Revenues	<u>150,000</u>	<u>62,653</u>	<u>33,041</u>	<u>95,694</u>	<u>(54,306)</u>
Expenditures:					
Engineering	155,250	76,422	33,041	109,463	45,787
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>33,041</u>	<u>110,726</u>	<u>46,774</u>
Revenues over (under) expenditures	(7,500)	(15,032)	-	(15,032)	(7,532)
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>(7,532)</u>	\$ <u>-</u>	\$ <u>(7,532)</u>	\$ <u>(7,532)</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, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grants	\$ 150,000	\$ 124,863	\$ 35,759	\$ 160,622	\$ 10,622
Total Revenues	<u>150,000</u>	<u>124,863</u>	<u>35,759</u>	<u>160,622</u>	<u>10,622</u>
Expenditures:					
Engineering	155,250	130,113	35,759	165,872	(10,622)
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>35,759</u>	<u>168,122</u>	<u>(10,622)</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, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grants	\$ 88,800	\$ 78,413	\$ 10,387	\$ 88,800	\$ -
Total Revenues	<u>88,800</u>	<u>78,413</u>	<u>10,387</u>	<u>88,800</u>	<u>-</u>
Expenditures:					
Engineering	91,908	81,521	10,387	91,908	-
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>10,387</u>	<u>93,240</u>	<u>-</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, 2022

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
Federal and State grants	\$ 225,000	\$ -	\$ 219,395	\$ 219,395	\$ (5,605)
Total Revenues	<u>225,000</u>	<u>-</u>	<u>219,395</u>	<u>219,395</u>	<u>(5,605)</u>
Expenditures:					
Engineering	272,500	125,550	101,502	227,052	45,448
Administration	5,000	-	-	-	5,000
Total Expenditures	<u>277,500</u>	<u>125,550</u>	<u>101,502</u>	<u>227,052</u>	<u>50,448</u>
Revenues over (under) expenditures	(52,500)	(125,550)	117,893	(7,657)	44,843
Other Financing Sources (Uses):					
Transfer from General Fund	52,500	52,500	-	52,500	-
Total Other Financing Sources (Uses)	<u>52,500</u>	<u>52,500</u>	<u>-</u>	<u>52,500</u>	<u>-</u>
Revenues and other sources over (under)	<u>\$ -</u>	<u>\$ (73,050)</u>	<u>\$ 117,893</u>	<u>\$ 44,843</u>	<u>\$ 44,843</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, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Operating revenues:			
User charges	\$	\$ 65,524	\$
Total Revenues	<u>72,000</u>	<u>65,524</u>	<u>(6,476)</u>
Expenditures			
Operating:			
Administration		41,938	
Total Expenditures	<u>72,000</u>	<u>41,938</u>	<u>30,062</u>
Revenues Over (Under) Expenditures	\$	23,586	\$ <u>23,586</u>
Reconciliation from budgetary basis			
(modified accrual) to full accrual:			
Depreciation		<u>(12,223)</u>	
Change in net position		<u>11,363</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, 2022

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2021</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$	\$ 12,142,378	\$ 11,877,381	\$ 264,997
2020-2021	232,755	-	151,080	81,675
2019-2020	121,912	-	72,834	49,078
2018-2019	61,529	-	28,301	33,228
2017-2018	49,567	-	22,999	26,568
2016-2017	37,800	-	19,983	17,817
2015-2016	110,886	-	96,752	14,134
2014-2015	17,255	-	5,740	11,515
2013-2014	13,553	-	4,722	8,831
2012-2013	8,569	-	2,361	6,208
2011-2012	9,628	-	9,628	-
TOTALS	\$ <u>663,454</u>	\$ <u>12,142,378</u>	\$ <u>12,291,781</u>	\$ <u>514,051</u>
Less: Allowance for uncollectable accounts:				
General Fund				<u>(66,385)</u>
Ad valorem taxes receivable - net:				
General Fund				\$ <u>447,666</u>
<u>Reconcilement with revenues</u>				
Ad valorem taxes - General Fund				\$ 12,362,018
Reconciling items:				
Interest collected				(120,956)
Taxes written off and adjustments				<u>50,719</u>
Total Collections and Credits				\$ <u>12,291,781</u>

Bertie County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2022

	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	\$ 1,399,965,896	0.865%	\$ 12,109,705	\$ 10,441,370	\$ 1,668,335
Total	<u>1,399,965,896</u>		<u>12,109,705</u>	<u>10,441,370</u>	<u>1,668,335</u>
Discoveries:					
Current year taxes	3,777,225	0.865%	32,673	32,673	-
Abatements taxed at current year's rate	<u>-</u>	0.865%	<u>-</u>	<u>-</u>	<u>-</u>
Total property valuation	<u>\$ 1,403,743,121</u>				
Net Levy			12,142,378	10,474,043	1,668,335
Current year's taxes collected			11,877,381	10,209,046	1,668,335
Uncollected taxes at June 30, 2022			\$ 264,997	\$ 264,997	\$ -
Current levy collection percentage			<u>97.82%</u>	<u>97.47%</u>	<u>100%</u>

Bertie County, North Carolina
Schedule of Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2022

Taxpayer	Type of Business	2021 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



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

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 financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprises Bertie County's basic financial statements, and have issued our report thereon dated December 22, 2022. 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 was not audited in accordance with *Government Auditing Standards*.

Report on 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.

Report on 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
December 22, 2022



Thompson, Price, Scott, Adams & Co., P.A.
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Report On Compliance With Requirements Applicable To Each Major Federal Program And 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 Federal Program

Opinion on Each Major Federal Program

We have audited Bertie County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Bertie County's major federal programs for the year ended June 30, 2022. The 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.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

determination of the Bertie County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

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 2022 – 001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Bertie County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Bertie County's response was not subjected

to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2022 - 001, that we consider to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Bertie County's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The 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.

The Bertie County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Bertie County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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
December 22, 2022

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material 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>Federal AL Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance
21.027	Coronavirus State Local Recovery Funds
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

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II. Financial Statement Findings

None Reported.

**BERTIE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section III. Federal Award Findings and Questioned Costs

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: 2022 - 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 thirty-three (33) 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: Four (4) cases did not have accurate resource calculations, Eight (8) cases did not have accurate budget calculations, Sixteen (16) cases had a failure to complete at least one compliance component, Four (4) case contained an inaccurate needs unit calculation.

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

Context: We examined 91 of the 279,124 Medicaid case files 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, 2021-001.

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.

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, 2022**

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

2022 - 001 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, resource calculations including vehicles and property, budget calculations/Income Wizard in NC Fast earned/uneared, thorough documentation of all cases, and Household composition size as it relates to MAGI policy and procedures. Caseworkers will retrain on Administrative letter 07-21 Amended 2 as it relates to how and when to use forced eligibility vs continued eligibility on MAGI cases. Caseworkers will receive Administrative letter 02-19 in regards to the work number guidance. Caseworkers will retrain on the social security number policy as well. 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. 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 2022 staff conferences for Medicaid, training will be conducted for error findings/internal control errors for 2022 Single County Audit. December 31, 2022.

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, 2022**

Status:	2021-001	Still occurring.
	2021-002	Corrected.
	2020-001	Still occurring.
	2020-002	Corrected.

Bertie County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State 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		\$ 383,857	\$ -	\$ -
FNS ARPA Funds	10.561		27,516	-	-
FNS CAA Funds	10.561		10,106	-	-
Total SNAP Cluster			<u>421,479</u>	<u>-</u>	<u>-</u>
Rural Development Grant	10.854		32,107	-	-
Conservation Reserve Program					
Conservation Reserve Enhancement	10.069		83	-	-
Total U.S. Department of Agriculture			<u>453,669</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Treasury</u>					
Coronavirus State Local Fiscal Recovery Funds	21.027		1,200,971	-	-
Total US Dept. of Treasury			<u>1,200,971</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Health & Human Services</u>					
Division of Social Services					
TANF - TEA Child Welfare Services	93.558				
TANF - Work First	93.558		213,205	-	-
Total Temporary Assistance for Needy Families (TANF)			<u>213,205</u>	<u>-</u>	<u>-</u>
<u>Foster Care and Adoption Cluster (Note 5 and 6)</u>					
Foster Care - Title IV-E	93.658		39,873	(83)	-
Foster Care	N/A		4,503	-	-
Adoption Assistance	93.659		978	-	-
Total Foster Care and Adoption Cluster			<u>45,354</u>	<u>(83)</u>	<u>-</u>
AFDC Payments & Penalties	93.560		(3,892)		-
Child Support Enforcement	93.563		490,491	-	-
Low-Income Home Energy Assistance:					
Administration	93.568		23,481	-	-
Energy Assistance Payments	93.568		491,880	-	-
Crisis Intervention Program	93.568		115,269	-	-
LIEAP ARPA	93.568		222,033	-	-
LIEAP ARPA Administration	93.568		25,178	-	-
LIHWAP Administration	93.568		11,478	-	-
LIHWAP CAA	93.568		58,704	-	-
Total Low-Income Home Energy Assistance			<u>948,023</u>	<u>-</u>	<u>-</u>
Division of Child Development and Early Education:					
Subsidized Child Care					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Development Mandatory and Matching Funds-Administration	93.596		82,223	-	-
SSBG - Other Service and Training	93.667		178,232	-	-
Passed-through Mid East Commission:					
Division of Aging and Adult Services:					
Division of Social Services:					
SSBG - State Adult Day Care	93.667		6,903	-	-
SSBG - State In-Home Service Fund	93.667		12,073	-	-
Total Social Service Block Grant (SSBG)			<u>197,208</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Insurance:					
Medicare Enrollment Assistance Program					
MIPPA Grant	93.071		4,466	-	-
Total Medicare Enrollment Assistance Program			<u>4,466</u>	<u>-</u>	<u>-</u>

Bertie County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Health Benefits:					
Division of Social Services:					
Administration:					
<u>Medicaid Cluster</u>					
Medical Assistance Program (Note 5)	93.778		1,194,958	9,772	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice (Note 5)	93.767		18,151	163	-
Total U.S. Dept. of Health and Human Services			<u>3,190,186</u>	<u>9,853</u>	<u>-</u>
Total federal awards			<u>4,844,826</u>	<u>9,853</u>	<u>-</u>
State Awards:					
<u>Administrative Office of the Courts</u>					
Safe Roads Act					
Total N.C. Dept. of Administration			-	1,200	-
			-	<u>1,200</u>	<u>-</u>
<u>N.C. Dept. of Administration</u>					
Veterans Service					
Total N.C. Dept. of Administration			-	2,109	-
			-	<u>2,109</u>	<u>-</u>
<u>N.C. Dept. of Agriculture</u>					
Soil Conservation State Match					
NC Agriculture Cost Share - Technical Assistance			-	3,600	-
Total N.C. Dept. of Agriculture			-	<u>26,275</u>	<u>-</u>
			-	<u>29,875</u>	<u>-</u>
<u>N.C. Department of Environmental Quality</u>					
N.C. Clean Water Revolving Loan & Grant Program					
Asset Inventory & Assessment Grant - Phase III		H-AIA-D-19-0176	-	7,393	-
Asset Inventory & Assessment Grant - Phase IV		H-AIA-D-16-0036	-	10,387	-
Asset Inventory & Assessment Grant - Phase II		H-AIA-D-17-0062;	-	33,041	-
Asset Inventory & Assessment Grant - Phase I		H-AIA-D-19-0175	-	28,367	-
		H-AIA-D-20-0210	-		-
Division of Coastal Management					
Public Beach & Coastal Waterfront Access Program			-	14,800	-
Total N.C. Dept. Environmental Quality			-	<u>93,988</u>	<u>-</u>
			-	<u>93,988</u>	<u>-</u>
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services					
Administration					
ST CHILD WELFARE/CPS/CS LD			-	(2,268)	-
IV-B EFT Chafee Independent Living			-	10,000	-
State Foster Home			-	8,797	-
State Foster Home Fund (SFHF) Maximization			-	13,744	-
Total Division of Social Service			-	<u>30,272</u>	<u>-</u>
Total N. C. Department of Health and Human Services			-	<u>30,272</u>	<u>-</u>
			-	<u>30,272</u>	<u>-</u>
<u>N.C. Dept. of Insurance</u>					
SHIIP Grant					
Total N.C. Dept. of Insurance			-	3,700	-
			-	<u>3,700</u>	<u>-</u>
<u>N.C. Dept. of Natural and Cultural Resources</u>					
Parks and Recreation Trust Fund					
Total N.C. Dept. of Natural and Cultural Resources			-	54,595	-
			-	<u>54,595</u>	<u>-</u>
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs					
Governor's Crime Commission			-	47,366	-
Emergency Management Operation			-	59,348	-
Total N.C. Dept. of Public Safety			-	<u>5,000</u>	<u>-</u>
			-	<u>111,714</u>	<u>-</u>
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP)		36228.22.10.1	-	60,374	-
Rural Operating Assistance Program (ROAP)		36220.10.10.1	-	54,384	-
Rural Operating Assistance Program (ROAP)		36236.11.9.1	-	8,021	-
Total N.C. Dept. of Transportation			-	<u>122,779</u>	<u>-</u>
			-	<u>122,779</u>	<u>-</u>
<u>Office of State Budget and Management</u>					
Register of Deeds Grant					
Total Office of State Budget and Management			-	2,000	-
			-	<u>2,000</u>	<u>-</u>
Total State awards			-	452,232	-
Total federal and State awards			<u>\$ 4,844,826</u>	<u>\$ 462,085</u>	<u>\$ -</u>

Bertie County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

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, 2022. 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: Foster Care, SNAP, and

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

<u>Program Title</u>	<u>CFDA No.</u>	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	13,966	-
Supplemental Nutrition Assistance Program	10.551	13,998,236	-
Family Preservation	93.556	359	-
Temporary Assistance for Needy Families	93.558	60,664	-
Pandemic Emergency Assistance Fund	93.558	22,000	-
Adoption Assistance	93.659	67,176	12,574
Medical Assistance Program	93.778	43,989,036	17,041,084
Children's Health Insurance Program	93.767	248,623	55,702
Child Welfare Services Adoption	N/A	-	30,167
State / County Special Assistance program	N/A	-	172,836