

BERTIE COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019

BOARD OF COMMISSIONERS

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

OFFICIALS

County Manager
Scott Sauer

Clerk to the Board
Sarah Tinkham

Finance Officer
William Roberson

Register of Deeds
Annie F. Wilson

Tax Administrator
Jody Rhea

Sheriff
John Holley

BERTIE COUNTY
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FINANCIAL SECTION



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Independent Auditor's Report

To the Board of County Commissioners
Bertie County, North Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Bertie County ABC Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bertie County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Bertie County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedules of Changes in the Net OPEB Liability and Related Ratios, and 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2020 on our consideration of Bertie County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bertie County's internal control over financial reporting and compliance.

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

Wilmington, North Carolina

June 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Bertie County, we offer readers of Bertie County's financial statements this narrative overview and analysis of the financial activities of Bertie County for the fiscal year ended June 30, 2019.

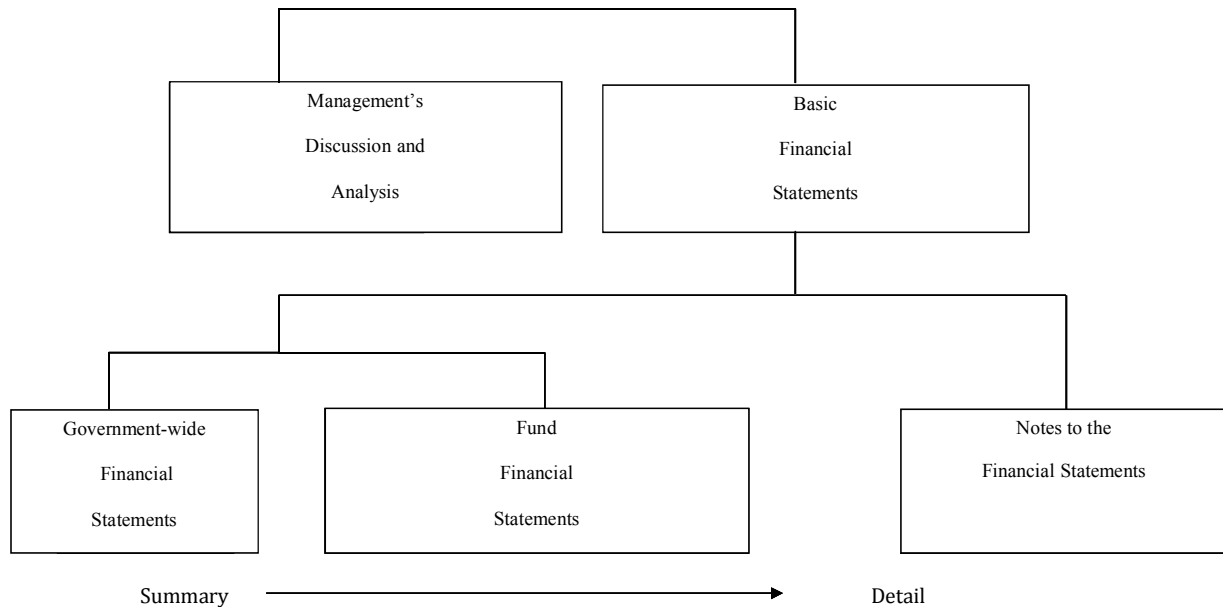
Financial Highlights

- 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 \$12,525,910 (*net position*).
- At the end of the fiscal year, fund balance (before any reserves or designations) for the General Fund was \$5,036,505 or 19% total General Fund expenditures for the current fiscal year. Approximately \$1,357,942 remains as unassigned fund balance. This General Fund balance represents a decrease of \$2,190,634 for the fiscal year end June 30, 2019.
- The County's combined governmental funds reported ending fund balances of \$4,740,333, after the net decrease in fund balance of \$2,617,217.
- The County's Net Position decreased by \$2,844,225 for the fiscal year ending June 30, 2019.
- The County's total debt decreased during the fiscal year by \$3,137,796.

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. The notes to the financial statements start on page 22 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Bertie County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 50 of this report.

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

Government-Wide Financial Analysis

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 8,982,550	\$ 11,771,004	\$ 1,671,303	\$ 2,088,909	\$ 10,653,853	\$ 13,859,913
Capital assets	30,872,486	30,503,006	31,302,727	31,615,122	62,175,213	62,118,128
Total assets	39,855,036	42,274,010	32,974,030	33,704,031	72,829,066	75,978,041
Total deferred outflows of resources	2,199,005	1,633,405	250,912	88,598	2,449,917	1,722,003
Current and other liabilities	1,125,333	610,237	379,788	676,952	1,505,121	1,287,189
Long-term liabilities outstanding	44,783,876	44,474,863	15,514,214	15,593,409	60,298,090	60,068,272
Total liabilities	45,909,209	45,085,100	15,894,002	16,270,361	61,803,211	61,355,461
Total deferred inflows of resources	900,902	945,840	48,960	49,582	949,862	995,422
Net Position:						
Net investment in capital assets	9,423,976	8,426,712	18,664,219	17,428,665	28,088,195	25,855,377
Restricted	3,983,045	2,336,940	-	-	3,983,045	2,336,940
Unrestricted	(18,163,091)	(12,866,203)	(1,382,239)	44,021	(19,545,330)	(12,822,182)
Total net position	\$ (4,756,070)	\$ (2,102,551)	\$ 17,281,980	\$ 17,472,686	\$ 12,525,910	\$ 15,370,135

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 \$12,525,910 as of June 30, 2019. The County's net position decreased by \$2,844,225 for the fiscal year ended June 30, 2019. One of the largest portions \$28,088,195 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 \$3,983,045 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$19,545,330) 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues						
Charges for Services	\$ 5,862,051	\$ 5,293,196	\$ 2,629,561	\$ 2,635,088	\$ 8,491,612	\$ 7,928,284
Operating grants and contributions	4,711,086	4,342,663	-	-	4,711,086	4,342,663
Capital grants and contributions	-	49,318	275,473	1,202,418	275,473	1,251,736
General revenues:						
Property taxes	11,026,222	10,441,990	-	-	11,026,222	10,441,990
Other taxes	2,872,659	2,982,334	-	-	2,872,659	2,982,334
Investment earnings	764,985	768,923	10,484	11,176	775,469	780,099
Miscellaneous	64,081	500,538	-	82,027	64,081	582,565
Total revenues	25,301,084	24,378,962	2,915,518	3,930,709	28,216,602	28,309,671
Expenses:						
General government	6,210,243	5,902,422	-	-	6,210,243	5,902,422
Public Safety	9,838,840	8,319,312	-	-	9,838,840	8,319,312
Environmental protection	552,801	479,678	-	-	552,801	479,678
Economic and physical development	546,905	715,542	-	-	546,905	715,542
Human services	5,368,888	4,676,058	-	-	5,368,888	4,676,058
Education	3,617,158	3,460,267	-	-	3,617,158	3,460,267
Special appropriations	949,018	717,595	-	-	949,018	717,595
Cltural and recreational	551,703	-	-	-	-	-
Interest and fees on long-term debt	319,047	1,162,771	-	-	319,047	1,162,771
Water districts	-	-	3,106,224	3,059,139	-	3,059,139
Total expenses	27,954,603	25,433,645	3,106,224	3,059,139	27,402,900	28,492,784
Increase (decrease) in net position	(2,653,519)	(1,054,683)	(190,706)	871,570	(2,844,225)	(183,113)
Net position, beginning	(2,102,551)	8,180,902	17,472,686	17,157,723	15,370,135	25,338,625
Net position, beginning, Restated		(1,047,868)	-	16,601,116	-	15,553,248
Net position, June 30, ending	\$ (4,756,070)	\$ (2,102,551)	\$ 17,281,980	\$ 17,472,686	\$ 12,525,910	\$ 15,370,135

Governmental activities: Governmental activities decreased the County's net position by \$2,653,519. Key elements of this decrease are as

- Sales tax receipts which exceeded conservative budget projections.
- Increase in investment earnings due to QSCB interest on cash investments.
-

Increased tax revenues as a result of improved efforts to discover previously unlisted business personal property for prior years.

Business-type activities: Business-type activities decreased the County's net position by \$190,706. Key elements of this decrease are as follows:

- During the fiscal year ended June 30, 2019 the County continued the closeout process for large projects in the Capital Improvement Program for the regional water system (business-type activities) which included significant commitments of local matching funds and were initiated by the Board of Commissioners in 2014.

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 \$1,357,942, while total fund balance reached \$5,036,505. The Governing Body of Bertie County has determined that the County should maintain an available fund balance of 10% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County.

- Bertie County's reported available fund balance for the prior year (2018) was \$7,357,550.
- Bertie County's available fund balance for the fiscal year ended June 30, 2019 is \$757,288 which is a decrease from the prior year.
- The NC Local Government Commission recommends that units of local government maintain a minimum of eight percent (8%) fund balance to cover cash flow and operating cycle, emergency reserves and credit rating requirements.
- Bertie County's available fund balance for appropriation is 15.98 percent of total general fund expenditures for the fiscal year ended June 30, 2019.

The County currently has an unassigned available fund balance of 2.83% of general fund expenditures, while total fund balance represents 17.71% of that same amount, of \$26,767,120.

At June 30, 2019, the governmental funds of Bertie County reported a combined fund balance of \$4,740,33, an \$2,617,217 decrease 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 (\$1,382,239). There was a decrease in net position of \$190,706. 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, 2019, totals \$00 (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 water district.
- Construction and equipment in the governmental funds.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,912,052	\$ 1,693,469	\$ 129,994	\$ 129,994	\$ 2,042,046	\$ 1,823,463
Building and system	24,047,372	24,649,144	27,996,850	28,791,360	52,044,222	53,440,504
Improvements	676,084	729,761	-	-	676,084	729,761
Machinery and equipment	1,718,695	1,816,226	-	-	-	-
Vehicles and motorized equipment	1,113,106	1,154,652	23,713	18,160	1,136,819	1,172,812
Construction in progress	1,405,177	459,754	3,152,170	2,675,608	4,557,347	3,135,362
Total	\$ 30,872,486	\$ 30,503,006	\$ 31,302,727	\$ 31,615,122	\$ 62,175,213	\$ 62,118,128

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

Long-term Debt: As of June 30, 2019, Bertie County had total debt outstanding of \$38,692,840.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Limited obligation bonds	\$ 19,760,000	\$ 20,060,000	\$ 9,530,000	\$ 9,935,000	\$ 29,290,000	\$ 29,995,000
Installment Purchases	5,068,668	7,600,468	2,667,172	2,562,278	7,735,840	10,162,746
Bond anticipation note	-	-	-	-	-	-
Revenue bond	-	-	1,667,000	1,689,179	1,667,000	1,689,179
Original issue discount	-	-	-	(39,753)	-	(39,753)
Original issue premium	-	-	-	475,093	-	475,093
Compensated absences	398,579	400,960	27,037	27,932	425,616	428,892
Net pension obligation	463,820	462,633	-	-	463,820	462,633
Net pension liability	2,983,742	1,891,135	190,452	104,682	3,174,194	1,995,817
Net OPEB liability	16,039,076	14,059,667	1,023,771	838,998	17,062,847	14,898,665
Other postemployment benefits	-	-	-	-	-	-
Total	\$ 44,713,885	\$ 44,474,863	\$ 15,105,432	\$ 15,593,409	\$ 59,819,317	\$ 60,068,272

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal margin for Bertie County is \$80,396,720.

Human Resources and staffing requirements for County Services - In FY 2012-2013 Bertie County budgeted for 147 positions, and as of the year ended June 30, 2019 the County budgeted for 240 positions. At the time this report was produced, the number of positions is 237. Much of this financial report focuses on long term liabilities and unfunded OPEB liability based on actuarial assumptions which are now calculated at \$17,062,847 using GASB 74 and 75. In the fiscal year ended June 30, 2018 the OPEB liability was estimated at \$14,898,665.

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

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

Additionally, the system evaluation noted during the last four calendar years, the County averaged a forty-six percent (46%) unaccounted water loss which equates to more than 500,000 gallons per day for the Bertie County Regional Water System comprised of the four water districts. The consult’s report identified the most likely contributing factors including line leaks, water storage overflows, meter accuracy, basic data logging, and non-reporting due to analog technology failures. Further investigation confirmed both faulty and non-existing altitude valves on elevated storage tanks, well performance deficiencies, meter inaccuracies and malfunctioning telemetry system communication network connections. At the close of the fiscal year ended June 30, 2019 the new telemetry system has been installed and testing is underway.

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

Requests for Information:

This report is designed to provide an overview of the County’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for 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, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
ASSETS				
Cash and cash equivalents	\$ 2,135,840	\$ 1,181,281	\$ 3,317,121	\$ 32,089
Receivables, (net)	3,558,327	224,991	3,783,318	-
Grants receivable	-	-	-	-
Notes receivable	2,402,503	-	2,402,503	-
Inventories	-	-	-	116,536
Prepaid Expenses	-	-	-	1,112
Restricted cash and cash equivalents	866,478	265,031	1,131,509	-
Total current assets	8,963,148	1,671,303	10,634,451	149,737
Net pension asset	19,402	-	19,402	-
Capital assets:				
Land, improvements, and construction in progress	3,317,229	3,282,164	6,599,393	3,789
Other capital assets, net of depreciation	27,555,257	28,020,563	55,575,820	22,966
Total assets capital assets	30,872,486	31,302,727	62,175,213	26,755
Total assets	39,855,036	32,974,030	72,829,066	176,492
DEFERRED OUTFLOWS OF RESOURCES	2,199,005	250,912	2,449,917	11,533
LIABILITIES				
Accounts payable and accrued liabilities	882,933	63,376	946,309	49,823
Liabilities to be paid from restricted assets	-	316,414	316,414	-
Long-term liabilities				
Net pension liability - LGERS	2,998,809	190,452	3,189,261	-
Total pension liability - LEOSSA	463,820	-	463,820	-
Net OPEB liability	16,093,998	1,023,771	17,117,769	-
Compensated absences payable	293,580	20,287	313,867	-
Due within one year	2,143,304	618,187	2,761,491	-
Due in more than one year	22,790,365	13,661,515	36,451,880	333,342
Total long-term liabilities	44,783,876	15,514,212	60,298,088	333,342
Total liabilities	45,666,809	15,894,002	61,560,811	383,165
DEFERRED INFLOWS OF RESOURCES	900,902	48,960	949,862	8,288
NET POSITION				
Net investment in capital assets	9,423,976	17,441,376	26,865,352	26,755
Restricted for:				
Stabilization by State Statute	3,609,513	-	3,609,513	-
Working capital	-	-	-	25,689
Tax Revaluation	51,691	-	51,691	-
Education (Capital Reserve-Schools Fund)	320,650	-	320,650	-
Unrestricted (deficit)	(17,919,500)	(159,396)	(18,078,896)	(255,872)
Total net position	\$ (4,513,670)	\$ 17,281,980	\$ 12,768,310	\$ (203,428)

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

Bertie County, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

Program Revenues					Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
Primary government:								
Governmental Activities:								
General government	\$ 6,210,243	\$ 645,105	\$ -	\$ -	\$ (5,565,138)	\$ -	\$ (5,565,138)	\$ -
Public safety	9,596,440	2,486,126	838,114	-	(6,272,200)	-	(6,272,200)	-
Economic and physical development	546,905	-	511,436	-	(35,469)	-	(35,469)	-
Human services	5,368,888	846,449	3,111,656	-	(1,410,783)	-	(1,410,783)	-
Environmental protection	552,801	1,884,371	12,880	-	1,344,450	-	1,344,450	-
Intergovernmental:								
Education	3,617,158	-	237,000	-	(3,380,158)	-	(3,380,158)	-
Cultural and recreational	551,703	-	-	-	(551,703)	-	(551,703)	-
Debt services	319,047	-	-	-	(319,047)	-	(319,047)	-
Special appropriations	949,018	-	-	-	(949,018)	-	(949,018)	-
Total governmental activities	<u>27,712,203</u>	<u>5,862,051</u>	<u>4,711,086</u>	<u>-</u>	<u>(17,139,066)</u>	<u>-</u>	<u>(17,139,066)</u>	<u>-</u>
Business-type activities:								
Water Districts	<u>3,106,224</u>	<u>2,629,561</u>	<u>-</u>	<u>275,473</u>	<u>-</u>	<u>(201,190)</u>	<u>(201,190)</u>	<u>-</u>
Total business-type activities	<u>3,106,224</u>	<u>2,629,561</u>	<u>-</u>	<u>275,473</u>	<u>-</u>	<u>(201,190)</u>	<u>(201,190)</u>	<u>-</u>
Total primary government	<u>\$ 30,818,427</u>	<u>\$ 8,491,612</u>	<u>\$ 4,711,086</u>	<u>\$ 275,473</u>	<u>\$ (17,139,066)</u>	<u>\$ (201,190)</u>	<u>\$ (17,340,256)</u>	<u>\$ -</u>
Component units:								
ABC Board	<u>832,421</u>	<u>860,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,503</u>	<u>28,503</u>	<u>28,503</u>
Total component units	<u>\$ 832,421</u>	<u>\$ 860,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,503</u>	<u>\$ 28,503</u>	<u>\$ 28,503</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 11,026,222	\$ -	\$ 11,026,222	\$ -
Local option sales tax					2,664,475	-	2,664,475	-
Other taxes and licenses					208,184	-	208,184	-
Investment earnings, unrestricted					764,985	10,484	775,469	138
Miscellaneous, unrestricted					64,081	-	64,081	-
Profit distribution					-	-	-	(25,673)
Total general revenues					<u>14,727,947</u>	<u>10,484</u>	<u>14,738,431</u>	<u>(25,535)</u>
Change in net position					(2,411,119)	(190,706)	(2,601,825)	2,968
Net position-beginning					<u>(2,102,551)</u>	<u>17,472,686</u>	<u>15,370,135</u>	<u>(206,396)</u>
Net position, ending					<u>\$ (4,513,670)</u>	<u>\$ 17,281,980</u>	<u>\$ 12,768,310</u>	<u>\$ (203,428)</u>

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

Bertie County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	<u>Major</u>	<u>NonMajor</u>	
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,493,801	\$ 112,468	\$ 2,606,269
Restricted cash	391,016	-	391,016
Due from other funds	695,323	-	695,323
Receivables, (net):			
Accounts	2,609,708	304,482	2,914,190
Taxes	640,494	-	640,494
Notes	2,402,503	-	2,402,503
Total assets	<u>\$ 9,232,845</u>	<u>\$ 416,950</u>	<u>\$ 9,649,795</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	865,134	17,799	882,933
Due to other funds	-	695,323	695,323
Total liabilities	<u>865,134</u>	<u>713,122</u>	<u>1,578,256</u>
Deferred Inflows of Resources:			
Taxes receivable	640,494	-	640,494
Prepaid taxes	45,809	-	45,809
Notes receivable	2,402,503	-	2,402,503
Total deferred inflows of resources	<u>3,088,806</u>	<u>-</u>	<u>3,088,806</u>
Fund balances:			
Restricted			
Stabilization by state statute	3,305,031	304,482	3,609,513
Committed			-
Tax Revaluation	51,691	-	51,691
OPEB Trust	727,200	-	727,200
Education (Capital Reserve-Schools Fund)	320,650	-	320,650
Unassigned	874,333	(600,654)	273,679
Total fund balances	<u>5,278,905</u>	<u>(296,172)</u>	<u>4,982,733</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,232,845</u>	<u>\$ 416,950</u>	<u>\$ 9,649,795</u>

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

Bertie County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

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

Total Fund Balance, Governmental Funds	4,982,733
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,783,737
Net pension asset	19,402
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	2,113,680
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement on Net Position.	37,990
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	47,335
Net pension liability	(2,998,809)
Net OPEB liability	(16,093,998)
Total pension liability	(463,820)
Deferred inflows of resources for taxes and special assessments	3,042,997
Pension related deferrals	(73,431)
OPEB related deferrals	(781,662)
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.	(25,227,249)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	97,425
Net position of governmental activities	\$ <u>(4,513,670)</u>

OPEB and Pension related deferrals.

Bertie County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	<u>Major</u>	<u>NonMajor</u>	
		<u>Other</u>	
		<u>Governmental</u>	<u>Total</u>
	<u>General Fund</u>	<u>Funds</u>	<u>Governmental</u>
			<u>Funds</u>
REVENUES			
Ad valorem taxes	11,067,557	-	11,067,557
Other taxes and licenses	462,127	-	462,127
Unrestricted intergovernmental revenues	2,780,821	-	2,780,821
Restricted intergovernmental revenues	3,672,113	701,401	4,373,514
Permits and fees	175,539	-	175,539
Sales and services	3,911,637	-	3,911,637
Investment earnings	764,534	451	764,985
Miscellaneous	1,505,558	237,000	1,742,558
Total revenues	<u>24,339,886</u>	<u>938,852</u>	<u>25,278,738</u>
EXPENDITURES			
Current:			
General government	4,140,411	-	4,140,411
Public safety	8,837,439	162,748	9,000,187
Economic and physical development	493,183	965,687	1,458,870
Human services	842,356	-	842,356
Environmental protection	485,906	-	485,906
Education	3,617,158	-	3,617,158
Cultural and recreational	406,882	-	406,882
Social Services	3,844,321	-	3,844,321
Debt services	3,150,846	-	3,150,846
Special appropriations	706,618	-	706,618
Total expenditures	<u>26,525,120</u>	<u>1,128,435</u>	<u>27,653,555</u>
Excess (deficiency) of revenues over expenditures	<u>(2,185,234)</u>	<u>(189,583)</u>	<u>(2,374,817)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	-
Transfers to other funds	237,000	(237,000)	-
Total other financing sources and uses	<u>237,000</u>	<u>(237,000)</u>	<u>-</u>
Net change in fund balance	(1,948,234)	(426,583)	(2,374,817)
Fund balances-beginning	7,227,139	130,411	7,357,550
Fund balances-ending	<u>\$ 5,278,905</u>	<u>\$ (296,172)</u>	<u>\$ 4,982,733</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 Year Ended June 30, 2019

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

Net changes in fund balance - total government funds	\$ (2,374,817)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year.	126,814
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(242,666)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	(586,443)
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement on Net Position.	52,466
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.	47,335
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(653,465)
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.	2,380
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,831,799
County's portion of collective pension expense.	(1,655,337)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	40,815
Total changes in net position of governmental activities	<u><u>\$ (2,411,119)</u></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
Budget and Actual - General Fund
For the Year Ended June 30, 2019

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 100,000	\$ 11,008,050	\$ 11,067,557	\$ 59,507
Other taxes and licenses	429,050	429,050	462,127	33,077
Unrestricted intergovernmental revenues	2,639,974	2,639,974	2,780,821	140,847
Restricted intergovernmental revenues	3,626,877	4,001,976	3,672,113	(329,863)
Permits and services	210,800	210,800	175,539	(35,261)
Sales and services	4,075,080	4,075,080	3,911,637	(163,443)
Investment earnings	45,000	45,000	30,188	(14,812)
Miscellaneous	1,334,969	1,472,170	1,505,558	33,388
Total revenues	<u>12,461,750</u>	<u>23,882,100</u>	<u>23,605,540</u>	<u>(276,560)</u>
Expenditures				
Current:				
General government	4,007,133	4,389,963	3,947,942	442,021
Public safety	1,147,006	9,532,616	8,837,439	695,177
Economic and physical development	-	547,484	493,183	54,301
Human Services	279,790	875,246	842,356	32,890
Environmental protection	475,308	487,881	485,906	1,975
Education	3,027,671	3,645,992	3,617,158	28,834
Cultural and recreational	621,579	621,579	406,882	214,697
Social services	3,349,679	4,551,544	3,844,321	707,223
Debt service	3,150,850	3,150,850	3,150,846	4
Special appropriations	843,115	990,383	706,619	283,764
Total expenditures	<u>16,902,131</u>	<u>28,793,538</u>	<u>26,332,652</u>	<u>2,460,886</u>
Revenues over (under) expenditures	(4,440,381)	(4,911,438)	(2,727,112)	2,184,326
Other financing sources (Uses)				
Transfers from other funds	2,538,077	2,538,077	1,225,016	(1,313,061)
Transfers to other funds			-	-
Total other financing sources and uses	<u>2,538,077</u>	<u>2,538,077</u>	<u>1,225,016</u>	<u>(1,313,061)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,902,304)</u>	<u>(2,373,361)</u>	<u>(1,502,096)</u>	<u>871,265</u>
Appropriated fund balance	<u>1,902,304</u>	<u>2,373,361</u>	-	<u>(2,373,361)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(1,502,096)	\$ <u>(1,502,096)</u>
Fund Balances - Beginning			6,408,660	
Fund Balances - Ending			\$ <u>4,906,564</u>	
The legally budgeted Tax Revaluation Fund and Capital Reserve Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 734,346	
Transfers (to)/from other funds			(988,015)	
Expenditures			(192,469)	
Fund Balance, Beginning			818,479	
Fund Balance, Ending (Exhibit 4)			\$ <u>5,278,905</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, 2019

	Major Enterprise Fund	
	Regional Water District	Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,181,281	\$ 5,033
Receivables, (net)	224,991	3,643
Total Current Assets	<u>1,406,272</u>	<u>8,676</u>
Noncurrent assets:		
Restricted assets:		
Restricted cash and cash equivalents	265,031	-
Capital assets:		
Land and improvements	129,994	-
Construction in progress	3,152,170	-
Buildings, improvements, and equipment	40,273,504	305,184
Less accumulated depreciation	<u>(12,252,941)</u>	<u>(216,435)</u>
Capital assets (net)	<u>31,302,727</u>	<u>88,749</u>
Total noncurrent assets	<u>31,567,758</u>	<u>88,749</u>
Total Assets	<u>32,974,030</u>	<u>97,425</u>
Deferred Outflows of Resources	<u>250,912</u>	<u>-</u>
Liabilities		
Current Liabilities:		
Accounts payable & accrued liabilities	63,376	-
Compensated absences	6,750	-
Installment purchase	147,700	-
Limited obligation bonds	415,000	-
Revenue bond	25,000	-
Original issue discount/premium	<u>23,737</u>	<u>-</u>
Total Current Liabilities	<u>681,563</u>	<u>-</u>
Noncurrent liabilities:		
Liabilities payable from restricted assets:		
Retainage payable	72,969	-
Customer deposits	243,445	-
Installment purchase	2,519,470	-
Compensated absences	20,287	-
Limited obligation bonds	9,115,000	-
Revenue bond	1,639,179	-
Original issue discount/premium	387,866	-
Net pension liability	190,452	-
Net OPEB liability	<u>1,023,771</u>	<u>-</u>
Total noncurrent liabilities	<u>15,212,439</u>	<u>-</u>
Total Liabilities	<u>15,894,002</u>	<u>-</u>
Deferred Inflows of Resources	<u>48,960</u>	<u>-</u>
Net Position		
Net investment in capital assets	17,441,376	88,749
Unrestricted	<u>(159,396)</u>	<u>8,676</u>
Total Net Position	<u>\$ 17,281,980</u>	<u>\$ 97,425</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 Year Ended June 30, 2019

Exhibit 7

	Major Enterprise Fund Regional Water District	Governmental Activities Internal Service Fund
Operating revenues:		
User charges	\$ 2,537,273	\$ 64,081
Other operating revenue	60,435	-
Total Operating Revenues	<u>2,597,708</u>	<u>64,081</u>
Operating expenses:		
Cost of operations	1,837,320	40,815
Depreciation expense	826,818	12,234
Total operating expenses	<u>2,664,138</u>	<u>53,049</u>
Operating Income (Loss)	(66,430)	11,032
Nonoperating Revenues (Expenses):		
Investment earnings	10,484	-
Miscellaneous income	-	-
Tax refunds	31,853	-
Debt services	(442,086)	-
Interest, fees and amortization	-	-
Total nonoperating revenues (expenses)	<u>(399,749)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	(466,179)	11,032
Transfers in/(out)	-	-
Capital Contributions	275,473	-
Total transfers and capital contributions	<u>275,473</u>	<u>-</u>
Changes in net position	(190,706)	11,032
Net position, beginning	17,472,686	86,393
Total net position, ending	<u>\$ 17,281,980</u>	<u>\$ 97,425</u>

Bertie County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2019

Exhibit 8

	Major Enterprise Fund Regional Water District	Governmental Activities Internal Service Fund
Cash flows From operating activities:		
Cash received from customers	\$ 2,537,273	\$ 64,081
Cash paid for goods and services	(1,238,361)	(59,048)
Cash paid to employees for services	(606,544)	-
Customer deposits (net)	13,945	-
Other operating revenues	60,435	-
Net cash provided (used) by operating activities	766,748	5,033
Cash flows from noncapital financing activities:		
Nonoperating income	-	-
Tax refunds	31,853	-
Due to (from) other funds	-	-
Net cash flows provided (used) by noncapital financing activities	31,853	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(514,423)	-
Interest paid on construction debt	(465,823)	-
Principal paid on bond maturities and equipment contracts	(577,700)	-
Capital contributions - Federal and State grants	275,473	-
Proceeds from long-term borrowing	252,594	-
Net cash flows provided (used) for capital and related financing activities	(1,029,879)	-
Cash flows from investing activities		
Interest on investment	10,484	-
Net cash provided (used) for investing activities	10,484	-
Net increase (decrease) in cash and cash equivalents	(220,794)	5,033
Cash and cash equivalents, beginning	1,667,106	-
Cash and cash equivalents, ending	\$ 1,446,312	\$ 5,033
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (66,430)	\$ 11,032
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	826,818	12,234
Changes in assets and liabilities, and deferred outflows in inflows of resources:		
(Increase) decrease in accounts receivable	196,812	(328)
(Increase) decrease in deferred outflows of resources for pensions & OPEB	(162,314)	-
Increase (decrease) in net pension liability	85,770	-
Increase (decrease) in net OPEB liability	184,773	-
Increase (decrease) in deferred inflows of resources for pensions & OPEB	(622)	-
Increase (decrease) in accounts payable and accrued liabilities	(311,109)	(17,905)
Increase (decrease) in customer deposits	13,945	-
Increase (decrease) in accrued vacation	(895)	-
Total adjustments	833,178	(5,999)
Net cash provided (used) by operating activities	\$ 766,748	5,033

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

Bertie County, North Carolina
Statement of Fiduciary Net Position
June 30, 2019

Assets	
Cash and cash equivalents	\$ <u>9,797</u>
Liabilities	
Miscellaneous liabilities	<u>9,797</u>
Net Position	
Assets held in trust	\$ <u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS

BERTIE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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.

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.

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

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

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual 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, 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) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

Governmental Activities:

General Fund	Tax Revaluation	\$	51,691
	Capital Reserves Schools		320,650
	USDA Reserves Account		18,675
Total Governmental Activities		\$	<u>391,016</u>
Business-type Activities			
Water District Regional	Customer deposits	\$	243,445
	USDA Reserves Account		21,586
Total Business-type Activities		\$	<u>265,031</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, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

	<u>Years</u>
Buildings	50
Improvements	10-20
Furniture and equipment	10
Vehicles	3-5
Computer equipment	5

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

	<u>Years</u>
Buildings	20
Furniture and equipment	10
Vehicles	3-5
Leasehold improvements	10-20
Computers	3

8. Deferred outflows / inflows of resources

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

9. Long-term Obligations

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

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

10. Compensated Absences

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

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at June 30, 2019.

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

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

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

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

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

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

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

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

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

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

12. Defined Benefit Pension and OPEB Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (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 \$(9,496,402) consists of the following:

Description	Amount
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total	\$ 41,436,335
Less accumulated depreciation	(10,652,598)
Net capital assets	30,783,737
Net pension asset.	19,402
Contributions to the pension plan in the current fiscal year	2,113,680
Total pension liabilities	(463,820)
Benefit payments and pension administration costs for LEOSSA	37,990
Contributions to OPEB plan in the current fiscal year	47,335
Pension related deferrals	(73,431)
OPEB related deferrals.	(781,662)
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	3,042,997
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	(24,828,668)
Compensated absences	(398,580)
Net OPEB liability	(16,093,998)
Net pension liability	(2,998,809)
	(44,320,055)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	97,425
Total adjustment	\$ (9,496,402)

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 \$(36,302) is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 1,369,868
Cost of disposed capital assets not recorded in the fund statements	(242,666)
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.	(1,243,054)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	2,831,799
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	(586,443)
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	52,466
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	47,335
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	(653,465)
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	2,380
County's portion of collective pension expense	(1,655,337)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	40,815
Total adjustment	\$ (36,302)

F. Subsequent Events - Date of Management Evaluation

Management has evaluated subsequent events through June 15, 2020, 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

Noncompliance with North Carolina General Statutes

Timeliness of audit submission.

B. Deficit Fund Balance or Net Position of Individual Funds

The Library Co Op Construction, EMS Building, and Disaster Recovery Capital Project Funds have a deficit fund balance due to timing issues related to income.

C. 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 undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2019, the County's deposits had a carrying amount of \$3,546,772 and a bank balance of \$4,200,693. Of the bank balance, \$858,077 was covered by federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2019, Bertie County had \$1,225 cash on hand.

At June 30, 2019, the carrying amount of deposits for Bertie County ABC Board was \$30,414 and the bank balance was \$74,965. 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, 2019, the County's investments consisted of \$900,633 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, 2019, 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
2016	\$ 1,459,058	\$ 477,446	\$ 1,936,504
2017	1,446,469	343,139	1,789,608
2018	1,436,235	211,477	1,647,712
2019	1,475,705	83,918	1,559,623
Total	\$ 5,817,467	\$ 1,115,980	\$ 6,933,447

4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
Governmental activities:					
General	\$ 1,129,274	\$ 757,951	\$ 1,649,825	\$ 2,402,503	\$ 5,939,553
Other Governmental	304,482	-	-	-	304,482
Internal Service Fund	3,643	-	-	-	3,643
Total receivables	1,437,399	757,951	1,649,825	2,402,503	6,247,678
Allowance for doubtful accounts	(169,391)	(117,457)	-	-	(286,848)
Total governmental activities	\$ 1,268,008	\$ 640,494	\$ 1,649,825	\$ 2,402,503	\$ 5,960,830
Business-type activities:					
Regional Water District	\$ 245,429	\$ -	\$ -	\$ -	\$ 245,429
Total receivables	245,429.00	-	-	-	245,429.00
Allowance for doubtful accounts	(20,438.00)	-	-	-	(20,438.00)
Total business-type activities	\$ 224,991	\$ -	\$ -	\$ -	\$ 224,991

5. Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,693,469	\$ 218,583	\$ -	\$ 1,912,052
Construction in progress	459,754	1,237,590	(292,167)	1,405,177
Total capital assets not being depreciated	2,153,223	1,456,173	(292,167)	3,317,229
Capital assets being depreciated:				
Buildings	30,236,738	-	-	30,236,738
Improvement	1,277,749	-	-	1,277,749
Equipment	3,947,551	148,699	(30,791)	4,065,459
Vehicles and motor equipment	2,873,177	57,163	(302,431)	2,627,909
Total capital assets being depreciated	38,335,215	205,862	(333,222)	38,207,855
Less accumulated depreciation for:				
Buildings	5,587,594	601,772	-	6,189,366
Improvements	547,988	60,965	(7,288)	601,665
Equipment	2,131,325	367,454	(152,015)	2,346,764
Vehicles and motor equipment	1,718,525	212,863	(416,585)	1,514,803
Total accumulated depreciation	9,985,432	\$ 1,243,054	\$ (575,888)	10,652,598
Total capital assets being depreciated, net	28,349,783			27,555,257
Governmental activity capital assets, net	\$ 30,503,006			\$ 30,872,486

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

General government	\$ 668,265
Public safety	389,451
Human services	73,963
Parks and recreation	111,375
Total depreciation expense	<u>\$ 1,243,054</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	2,675,608	476,562	-	3,152,170
Total capital assets not being depreciated	2,805,602	476,562	-	3,282,164
Capital assets being depreciated:				
Plant and distribution systems	40,062,818	37,861	-	40,100,679
Vehicles	172,825	-	-	172,825
Total capital assets being depreciated	40,235,643	37,861	-	40,273,504
Less accumulated depreciation for:				
Plant and distribution systems	11,271,458	810,326	-	12,081,784
Vehicles	154,665	16,492	-	171,157
Total accumulated depreciation	11,426,123	\$ 826,818	\$ -	12,252,941
Total capital assets being depreciated, net	28,809,520			28,020,563
Water District capital assets, net	<u>\$ 31,615,122</u>			<u>\$ 31,302,727</u>

Construction commitments

The government has active construction projects as of June 30, 2019. The projects include the Library/Cooperative Extension Building, Library/Cooperative Construction Building, the EMS Building, and the water district projects. At June 30, 2019, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Library/Cooperative Extension Building Fund	\$ 292,166	\$ -
Library/Cooperative Construction	179,446	4,366,605
EMS Building Fund	666,207	38,092
Drinking Water State Revolving Loan Fund - SCADA	1,285,177	23,900
Drinking Water State Revolving Loan Fund - Roxobel Merger	1,866,994	109,367
Total	<u>\$ 4,289,990</u>	<u>\$ 4,537,964</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
ABC Board:				
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	8,978	2,558	-	11,536
Leasehold improvement	112,706	3,585	-	116,291
Total accumulated depreciation	140,895	\$ 6,143	\$ -	147,038
ABC capital assets, net	<u>\$ 32,898</u>			<u>\$ 26,755</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, 2019, Bertie County paid the Town of Windsor \$21,937 from the water fund. For the fiscal year ending June 30, 2019, the Town paid Bertie County \$0.00 and \$0.00 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, 2019, were as follows:

	Vendors	Total
Governmental Activities:		
General	\$ 1,107,534	\$ 1,107,534
Other Governmental	17,799	17,799
Internal Service Fund	-	-
Total governmental funds	<u>\$ 1,125,333</u>	<u>\$ 1,125,333</u>
Business-type Activities:		
Regional Water Districts	\$ 63,374	\$ 63,374
Total business-type activities	<u>\$ 63,374</u>	<u>\$ 63,374</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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement 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, 2019, was 8.5% of compensation for law enforcement officers and 7.75% 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 \$604,727 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of \$3,174,194 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 0.1338%, which was an increase of .0032% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$918,467. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 489,703	\$ 16,432
Changes of assumptions	842,308	-
Net difference between projected and actual earnings on pension plan investments	435,722	-
Changes in proportion and differences between County contributions and proportionate share of contributions	86,295	50,464
County contributions subsequent to the measurement date	604,727	-
Total	<u>\$ 2,458,755</u>	<u>\$ 66,896</u>

\$604,727 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2020	888,774
2021	557,852
2022	100,139
2023	240,367
2023	-
Thereafter	-
Total	<u>\$ 1,787,132</u>

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

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

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

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

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

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$7,624,688	\$3,174,194	(\$544,709)

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

b. Law Enforcement Officers Special Separation Allowance**1. Plan Description.**

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

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

At the December 31, 2018, the Separation Allowance's membership consisted of:

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

2. Summary of Significant Accounting Policies

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

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

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 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	3.50 to 7.35 percent
Discount rate	3.64 percent

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20 year Municipal Bond Index as of December 31, 2018.

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

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, 2019, the County reported a total pension liability of \$463,820. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$37,990.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 66,093
Changes of assumptions and other inputs	21,339	23,297
County benefit payments and administrative expenses subsequent to the measurement date.	-	-
Total	<u>\$ 21,339</u>	<u>\$ 89,390</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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2020	(14,012)
2021	(14,012)
2022	(14,012)
2023	(13,469)
2024	(9,393)
Thereafter	(3,153)
	<u><u>\$ (68,051)</u></u>

\$14,476 paid as benefits came due and \$00 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

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

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 507,999	\$ 463,820	\$ 424,217

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

Beginning balance	\$ 462,633
Service Cost	37,612
Interest on the total pension liability	14,390
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(15,725)
Changes of assumptions or other inputs	(20,614)
Benefit payments	(14,476)
Other changes	-
Ending balance of the total pension liability	<u><u>\$ 463,820</u></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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$69,789, which consisted of \$57,374 from the County and \$12,415 from the law enforcement officers.

The County also elected to contribute an amount equal to three percent of each general employee's salary. All amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$258,709 which consisted of \$194,216 from the County and \$64,493 from the general 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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 \$4,605 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$19,402 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was 0.11714%, which was a decrease of 0.00574% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$3,878. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 171	\$ 886
Net difference between projected and actual earnings on pension plan investments	913	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,092	-
Changes of assumptions	848	293
County contributions subsequent to the measurement date	4,605	-
Total	<u>\$ 9,629</u>	<u>\$ 1,179</u>

\$4,605 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2020	1,807
2021	647
2022	911
2023	480
2024	-
Total	<u>\$ 3,845</u>

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

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

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

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

	1 % Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$15,297	\$19,402	\$22,863

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

e. Other Postemployment Benefit**Healthcare Benefits**

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

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

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

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

Retirees and dependents receiving benefits	42
Active plan members	150
Total	<u>192</u>

Total OPEB Liability

The County's total OPEB liability of \$17,062,847 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.5% to 7.75%
Municipal bond index rate	3.50%
Healthcare cost trends	
Pre-medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

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

Changes in the Total OPEB Liability

Total OPEB Liability	
Balance at July 1, 2018	\$ 14,898,665
Changes for the year:	
Service cost	737,297
Interest	571,511
Changes of benefit terms	-
Differences between expected and actual experience	81,065
Changes in assumptions	1,192,035
Benefit Payments	(417,726)
Net changes	2,164,182
Balance at June 30, 2019	\$ 17,062,847

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

The actuarial assumptions used in the June 30, 2018 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	Discount Rate		
	1% Decrease	(3.50%)	1% Increase
Total OPEB Liability	\$20,759,205	\$17,062,847	\$14,232,563

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

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$13,663,353	\$17,062,847	\$21,692,414

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,361,207. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,711	\$ -
Changes of assumptions	1,052,125	717,767
Benefit payment and administrative costs made subsequent to the measurement date	-	-
Total	\$ 1,208,836	\$ 717,767

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

Year Ended June 30	
2020	52,399
2021	52,399
2022	52,399
2023	52,399
2024	52,399
Thereafter	229,074
Total	\$ 491,069

f. Other Employment Benefits

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

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	\$ 489,703	\$ 16,432
Register of Deeds	171	886
LEOSSA	-	66,093
Pensions - difference between projected and actual investment earnings		
LGERS	435,722	-
Register of Deeds	913	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	86,295	50,464
Register of Deeds	3,092	-
OPEB - difference between expected and actual experience	156,711	-
Changes in assumptions		
LGERS	842,308	-
OPEB	1,052,125	717,767
Register of Deeds	848	293
LEOSSA	21,339	23,297
Contributions to pension plan in 2018-2019 fiscal year		
LGERS	604,727	-
Register of Deeds	4,605	-
Prepaid taxes not yet earned (General)	-	45,809
Taxes receivable, net (General)	-	640,494
Special assessments receivable, net (General)	-	2,402,503
Total	<u>\$ 3,698,559</u>	<u>\$ 3,964,038</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, 2019.

<u>Year Ending June 30</u>	<u>Amount</u>
2020	\$ 195,259
2021	195,259
2022	122,542
2023	48,115
Total	<u>\$ 561,175</u>

b. Installment Purchases

Serviced by the General Fund:

In February 2000, the County entered into a direct placement installment purchase contract for \$9,950,000 to finance construction on a new hospital. Principal and interest payments of \$68,888 are payable monthly. Interest is payable at a 5.5% rate. The County leases the new facilities to Vidant Medical Center. The amount of the lease payments shall be equal to the future debt service and all associated costs on the debt incurred by the County for the purpose of constructing the new facility. The final payment is due January 2022. The balance at June 30, 2019 is \$1,984,219.

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, 2019 is \$795,940.

In November 2005, the County entered into a direct placement installment purchase contract for \$6,000,000 to finance the construction on a new Middle School. The financing contract requires 30 semi-annual fixed principal payments of \$200,000 and varying interest payments at a rate of 3.8% beginning May 31, 2006 and ending November 2020. The balance at June 30, 2019 is \$600,000.

In October 2006, the County entered into a direct placement installment purchase contract for \$3,300,000 to finance the construction of the new Department of Social Services Building. The financing contract requires 15 annual fixed principal payments of \$220,000 with an interest rate of 3.93% beginning October 2007. In October 2012, the County modified their agreement with the lender for a lower interest rate of 2.93%. The payment schedule continues without interruption and will be paid out October 2021. The balance at June 30, 2019 is \$660,000.

In April 2017, the County entered into a direct placement installment purchase contract for \$788,000 to finance the purchase of emergency equipment. The financing contract requires 15 annual payments, including interest, of \$64,821 with an interest rate of 2.75% beginning April 2018 and ending April 2032. The balance at June 30, 2019 is \$700,512.

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, 2019 is \$327,997.

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, 2019 is \$151,445.

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, 2019, the County has received \$1,214,169. The balance at June 30, 2019 is \$1,149,999.

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, 2019, the County has received \$1,437,608. The balance at June 30, 2019 is \$1,365,728.

For Bertie County, the future minimum payments of these direct placement installment purchases as of June 30, 2019, including \$416,809 of interest, are:

Year Ending June 30	Governmental Activities			
	Hospital		DSS County Building	
	Principal	Interest	Principal	Interest
2020	\$ 734,319	\$ 92,331	\$ 220,000	\$ 15,774
2021	776,562	50,008	220,000	10,516
2022	473,338	8,874	220,000	5,258
2023	-	-	-	-
2024	-	-	-	-
2025-2029	-	-	-	-
2030-2034	-	-	-	-
2035-2039	-	-	-	-
Principal and interest payment totals	\$ 1,984,219	\$ 151,213	\$ 660,000	\$ 31,548

Year Ending June 30	QZAB Bertie				
	High	Middle School		Medical Equipment	
	Principal	Principal	Interest	Principal	Interest
2020	\$ 109,460	\$ 400,000	\$ 16,900	\$ 45,556	\$ 19,265
2021	109,460	200,000	3,380	46,809	18,012
2022	109,460	-	-	48,096	16,725
2023	109,460	-	-	49,419	15,402
2024	109,460	-	-	50,778	14,042
2025-2029	248,640	-	-	275,618	48,482
2030-2034	-	-	-	184,236	10,224
2035-2039	-	-	-	-	-
Principal and interest payment totals	\$ 795,940	\$ 600,000	\$ 20,280	\$ 700,512	\$ 142,152

Year Ending June 30	Medical Equipment		Business-type Activities		
	Principal	Interest	DENR	DWSFRF	DWSRF
	Principal	Interest	Principal	Principal	Principal
2020	\$ 19,525	9,020	\$ 11,650	\$ 64,170	\$ 71,880
2021	20,062	8,483	11,650	64,170	71,881
2022	20,614	7,931	11,650	64,170	71,880
2023	21,181	7,364	11,650	64,170	71,881
2024	21,762	6,782	11,650	64,170	71,881
2025-2029	118,121	24,599	58,250	320,852	359,402
2030-2034	106,732	7,437	34,945	320,853	359,403
2035-2039	-	-	-	187,441	287,520
Principal and interest payment totals	\$ 327,997	\$ 71,616	\$ 151,445	\$ 1,149,996	\$ 1,365,728

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, 2019 are comprised of the following individual issues:

Limited obligation bonds serviced by the General Fund:

\$18,030,000 limited obligation Series 2012A QSCB issued November 2012 due in semi-annual interest payments with the principal due in 2036. Interest at 4.667%. \$ 18,030,000

\$3,455,000 limited obligation Series 2012B issued November 2012 due in annual installments of \$285,000 to \$420,000 through 2022. Interest at varying rates of 1% - 4%.
 1,730,000
\$ 19,760,000

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%. \$ 1,995,000

\$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%. 2,875,000

\$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%. 1,775,000

\$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%. 2,885,000
\$ 9,530,000

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

Year Ending June 30	Governmental activities totals		Business-type activities total	
	Principal	Interest	Principal	Interest
2020	\$ 555,000	\$ 881,360	\$ 415,000	\$ 379,356
2021	755,000	861,710	435,000	362,756
2022	420,000	841,460	455,000	345,356
2023	-	841,460	465,000	327,157
2024	-	841,460	485,000	298,856
2025-2029	-	4,207,300	2,690,000	1,176,778
2030-2034	-	4,207,300	2,820,000	615,788
2035-2039	18,030,000	2,103,650	1,615,000	145,981
2040	-	-	150,000	3,000
Principal and interest payment totals	\$ 19,760,000	\$ 14,785,700	\$ 9,530,000	\$ 3,655,028

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, 2019, the County has received \$1,717,000. \$ 1,667,000

The future payments of the revenue bond are as follows:

Year Ending June 30	Principal	Interest
2020	\$ 25,000	\$ 45,843
2021	26,000	45,155
2022	27,000	44,440
2023	28,000	43,698
2024	28,000	42,928
2025-2029	155,000	202,538
2030-2034	175,000	180,125
2035-2039	201,000	154,688
2040-2044	231,000	125,400
2045-2049	264,000	91,905
2050-2054	303,000	53,515
2055-2059	204,000	11,328
Principal and interest payment totals	\$ 1,667,000	\$ 1,041,563

At June 30, 2019, Bertie County had a legal debt margin of \$80,396,720.

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

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental activities:					
Direct Placement Installment purchase	\$ 7,600,468	\$ -	\$ 2,531,800	\$ 5,068,668	\$ 1,483,304
Limited obligation debt	20,060,000	-	300,000	19,760,000	555,000
Compensated absences	400,961	567,012	569,393	398,580	105,000
Total pension liability (LEOSSA)	462,633	1,187	-	463,820	-
Net pension liability (LGRS)	1,891,135	1,107,674	-	2,998,809	-
Net OPEB liability	14,059,667	2,034,331	-	16,093,998	-
Total governmental activities	\$ 44,474,864	\$ 3,710,204	\$ 3,401,193	\$ 44,783,875	\$ 2,143,304
Business-type activities:					
Direct Placement Installment purchase	\$ 2,562,278	\$ 252,594	\$ 147,700	\$ 2,667,172	\$ 147,700
Limited obligation debt	9,935,000	-	405,000	9,530,000	415,000
Revenue bond	1,689,179	-	25,000	1,664,179	25,000
Original issue discount	(39,753)	-	2,166	(37,587)	(2,166)
Original issue premium	475,093	-	25,903	449,190	25,903
Compensated absences	27,932	-	895	27,037	6,750
Net pension liability (LGRS)	104,682	85,770	-	190,452	-
Net OPEB liability	838,998	184,773	-	1,023,771	-
Total business-type activities	\$ 15,593,409	\$ 523,137	\$ 606,664	\$ 15,514,214	\$ 618,187
Discretely presented component unit:					
Other postemployment benefits	\$ 159,665	\$ -	\$ -	\$ 159,665	\$ -
Net OPEB liability	17,083	-	-	17,083	-
Total discretely presented component unit	\$ 176,748	\$ -	\$ -	\$ 176,748	\$ -

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, 2019, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2019, consist of the following:

Transfer from the Capital Reserve Schools to the General Fund for debt services.	\$ 1,058,015
Transfer from the General Fund to the Revaluation Fund to accumulate resources for the revaluation of real property.	70,000
Transfer from the Lottery to the General Fund for expenses.	237,000
	<u>\$ 1,365,015</u>

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 30,872,486	\$ 31,302,727
Less: long-term debt	24,828,668	13,861,351
Add: debt related to assets not owned by the County	3,380,158	-
Net investment in capital assets	<u>\$ 9,423,976</u>	<u>\$ 17,441,376</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	\$ 5,278,905
Less:	
Stabilization by State Statute	3,305,031
Tax Revaluation	51,691
Education	320,650
OPEB Trust	727,200
Remaining Fund Balance	874,333

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, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$38,251 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, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$59,390 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 144 Community College Road, Ahoskie, North Carolina 27910.

The County participates in a joint venture to operate the Bertie-Martin Regional Jail (Jail) with one other local government. Each participating government appoints three board members to the six-member board of the Jail. The County has an ongoing financial responsibility for the joint venture because the Jail's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Jail, so no equity interest has been reflected in the financial statements at June 30, 2019. 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, 2019. 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, 2019.

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, 2019, 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, 2019, the fair market value of the lease was \$1,984,219.

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.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accounting principals.

Other Postemployment Benefits - Schedule of Changes in the Total OPEB Liability and Related Ratios

Local Governmental Employees' Retirement System - Schedule of County's Proportionate Share of the Net Pension Liability (Asset)

Local Governmental Employees' Retirement System - Schedule of the County's Contributions

Register of Deeds Supplemental Pension Fund - Schedule of County's Proportionate Share of the Net Pension Liability (Asset)

Register of Deeds Supplemental Pension Fund - Schedule of the County's Contributions

Law Enforcement Officer's Special Separation Allowance - 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

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

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.13380%	0.13060%	0.11400%	0.10470%	0.0811%	0.8310%
County's proportion of the net pension liability (asset) (\$)	\$ 3,174,194	\$ 1,995,817	\$ 2,420,311	\$ 469,977	\$ (478,284)	\$ 1,001,674
County's covered-employee payroll	\$ 7,180,138	\$ 7,198,427	\$ 6,638,186	\$ 6,546,107	\$ 5,337,910	\$ 5,337,910
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.21%	27.73%	36.46%	7.18%	(8.96%)	18.77%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

Local Government Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 604,727	\$ 547,481	\$ 523,363	\$ 445,210	\$ 428,252	\$ 354,841
Contributions in relation to the contractually required contribution	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>
County's covered-employee payroll	\$ 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	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 Six Fiscal Years

Registers of Deeds' Supplemental Pension Fund

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.11714%	0.12288%	0.11913%	0.11998%	0.12285%	0.11879%
County's proportion of the net pension liability (asset) (\$)	\$ (19,402)	\$ (20,974)	\$ (22,273)	\$ (27,804)	\$ (27,841)	\$ (25,374)
County's covered-employee payroll	\$ 137,645	\$ 133,877	\$ 122,973	\$ 119,148	\$ 118,870	\$ 118,870
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(14.10%)	(15.67%)	(18.11%)	(23.34%)	(23.42%)	(21.35%)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

Registers of Deeds' Supplemental Pension Fund

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,605	\$ 1,002	\$ 1,068	\$ 973	\$ 960	\$ 1,003
Contributions in relation to the contractually required contribution	4,605	1,002	1,068	973	960	1,003
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 135,310	\$ 137,645	\$ 133,877	\$ 122,973	\$ 119,148	\$ 118,870
Contributions as a percentage of covered-employee payroll	3.40%	0.73%	0.80%	0.79%	0.81%	0.84%

Bertie County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
June 30, 2019

	2019	2018	2017
Beginning balance	462,633	475,161	457,728
Service Cost	37,612	29,088	26,421
Interest on the total pension liability	14,390	18,062	16,082
Differences between expected and actual experience in the measurement of the total pension liability	(15,725)	(75,901)	-
Changes of assumptions or other inputs	(20,614)	30,699	(10,594)
Benefit payments	(14,476)	(14,476)	(14,476)
Ending balance of the total pension liability	<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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 463,820	\$ 462,633	\$ 475,161
Covered payroll	1,221,743	1,140,114	1,049,983
Total pension liability as a percentage of covered payroll	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 Total OPEB Liability and Related Ratios
Required Supplementary Information
For the Year Ended June 30, 2019

Total OPEB Liability	2019	2018
Service cost	\$ 737,297	\$ 787,570
Interest	571,511	520,792
Changes of benefit terms	-	-
Differences between expected and actual experience	81,065	111,283
Changes of assumptions	1,192,035	(937,941)
Benefit payments	<u>(417,726)</u>	<u>(420,356)</u>
Net change in total OPEB liability	2,164,182	61,348
Total OPEB liability - beginning	14,898,665	14,837,317
Total OPEB liability - ending	\$ <u>17,062,847</u>	\$ <u>14,898,665</u>
 Covered payroll	 \$ 4,875,577	 \$ 4,875,577
County's OPEB liability as a percentage of its covered payroll	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%

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$	\$ 10,646,477	\$
Prior year		273,380	
Penalties and Interest		147,700	
Total	<u>11,008,050</u>	<u>11,067,557</u>	<u>59,507</u>
Other Taxes and Licenses:			
Local 1 percent sales tax-article 39		368,628	
Excise tax		65,925	
Motor vehicle lease tax		24	
Scrap tire disposal tax		27,550	
Total	<u>429,050</u>	<u>462,127</u>	<u>33,077</u>
Unrestricted Intergovernmental Revenues:			
Wine and beer		59,922	
Solid waste disposal tax		12,880	
Payment in lieu of taxes		54,763	
Local 1/2¢ sales tax-article 40		1,143,326	
Local 1/2¢ sales tax-article 42		459,704	
Local 1/2¢ sales tax-article 44		692,817	
State DWI		1,419	
Medicaid EMS cost settlement		355,990	
Total	<u>2,639,974</u>	<u>2,780,821</u>	<u>140,847</u>
Restricted Intergovernmental Revenues:			
State and federal grants		242,280	
Other grants		87,783	
Court facilities fees		43,961	
Profits for law enforcement		186,433	
Aging office		287,267	
Social services revenues		2,824,389	
Total	<u>4,001,976</u>	<u>3,672,113</u>	<u>(329,863)</u>
Permits and fees:			
Register of deeds		58,043	
Sheriff fees		15,930	
Inspection fees		60,024	
Tax collection fees		12,567	
Franchise fees		10,842	
Cultural Resources		1,945	
Social Services		7,873	
ABC taxes		1,159	
Other Fees		7,156	
Total	<u>210,800</u>	<u>175,539</u>	<u>(35,261)</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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Jail fees		4,300	
Landfill host fees		1,884,371	
Emergency medical services fees		904,294	
Non-emergency transport		1,051,903	
Nutrition program income		11,926	
Rental income		49,888	
Other sales and services income		4,955	
Total	4,075,080	3,911,637	(163,443)
Investment Earnings: Interest	45,000	30,188	(14,812)
Miscellaneous:			
Other taxes		3,085	
FEMA reimbursement		86,273	
Other revenues		49,828	
Insurance claims reimbursement		31,058	
Motor fuel refund		68,152	
Hospital Lease Revenue		826,650	
Utilities revenue		21,938	
NC 911		29,541	
Indirect cost		229,174	
Fine		92,526	
Attorney fees - foreclosures		67,333	
Total	1,472,170	1,505,558	33,388
TOTAL REVENUES	23,882,100	23,605,540	(276,560)

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures:			
General Government			
Governing body			
Salaries and employee benefits		112,682	
Other operating expenditures		104,492	
Total	240,514	217,174	23,340
Administration			
Salaries and employee benefits		258,612	
Other operating expenditures		30,277	
Total	370,962	288,889	82,073
Tax administration			
Salaries and employee benefits		392,608	
Other operating expenditures		200,651	
Total	641,097	593,259	47,838
Information technology			
Salaries and employee benefits		179,543	
Other operating expenditures		70,483	
Capital outlay		5,878	
Total	261,524	255,904	5,620
Legal			
Contracted services	170,000	159,336	10,664
Register of deeds			
Salaries and employee benefits		186,470	
Other operating expenditures		118,574	
Total	335,463	305,044	30,419
Elections			
Salaries and employee benefits		99,922	
Other operating expenditures		47,728	
Total	157,894	147,650	10,244
Public buildings			
Salaries and employee benefits		386,484	
Other operating expenditures		516,884	
Capital outlay		131,600	
Total	1,217,494	1,034,968	182,526
Human resources			
Salaries and employee benefits		69,904	
Other operating expenditures		9,294	
Total	84,821	79,198	5,623

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Finance			
Salaries and employee benefits		210,923	
Other operating expenditures		44,758	
Capital outlay		6,346	
Total	269,267	262,027	7,240
Court Facilities			
Other operating expenditures		77,543	
Capital outlay		110,505	
Total	203,427	188,048	15,379
Appropriations			
Retiree health insurance	437,500	416,445	21,055
Total General Government	4,389,963	3,947,942	442,021
Public Safety			
Sheriff			
Salaries and employee benefits		1,862,430	
Other operating expenditures		535,684	
Capital outlay		116,210	
Total	2,867,233	2,514,324	352,909
Communication			
Salaries and employee benefits		502,876	
Other operating expenditures		31,534	
Total	570,620	534,410	36,210
Emergency management			
Salaries and employee benefits		85,656	
Other operating expenditures		446,125	
Capital outlay		-	
Total	557,766	531,781	25,985
Emergency services			
Salaries and employee benefits		2,202,035	
Other operating expenditures		377,299	
Capital outlay		55,970	
Total	2,691,282	2,635,304	55,978
Non-emergency transportation			
Salaries and employee benefits		745,969	
Other operating expenditures		188,759	
Capital outlay		-	
Total	1,027,477	934,728	92,749
Planning and inspections			
Salaries and employee benefits		230,054	
Other operating expenditures		40,456	
Capital outlay		4,753	
Total	319,573	275,263	44,310

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Animal control			
Salaries and employee benefits		121,510	
Other operating expenditures		21,517	
Capital outlay		17,108	
Total	244,836	160,135	84,701
Medical examiner			
Professional services	20,550	20,550	-
Storm preparation			
Other operating expenditures	86,273	83,938	2,335
Appropriations			
Bertie-Martin Regional Jail	1,147,006	1,147,006	-
Total Public Safety	9,532,616	8,837,439	695,177
Economic and Physical Development			
Economic development			
Salaries and employee benefits		78,196	
Other operating expenditures		92,015	
Total	171,938	170,211	1,727
Cooperative extension			
Salaries and employee benefits		208,310	
Other operating expenditures		36,573	
Capital outlay		4,830	
Total	296,480	249,713	46,767
Soil conservation			
Salaries and employee benefits		70,759	
Other operating expenditures		2,500	
Total	79,066	73,259	5,807
Total Economic and Physical Development	547,484	493,183	54,301
Human Services			
Health department			
Administration	100,577	100,577	-
Veteran services			
Salaries and employee benefits		50,216	
Other operating expenditures		4,710	
Total	55,331	54,926	405
Aid to aging and nutrition			
Salaries and employee benefits		227,371	
Other operating expenditures		280,092	
Total	539,948	507,463	32,485

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Appropriations			
Indigent care		120,000	
Mental health		44,590	
Mental health - ABC 5c		4,800	
Choanoke Public Transit Authority		10,000	
Total	179,390	179,390	-
 Total Human Services	875,246	842,356	32,890
 Environmental Protection			
Tire disposal		38,573	
Convenience centers		442,308	
Contracted services		5,025	
Total Environmental Protection	487,881	485,906	1,975
 Education			
Public schools current expense		3,027,671	
Public schools capital outlay		446,166	
Martin Community College current expense		55,821	
Martin Community College capital outlay		32,500	
Roanoke Chowan Community College current expense		55,000	
Total Education	3,645,992	3,617,158	28,834
 Cultural and Recreational			
Parks and recreation			
Salaries and employee benefits		151,887	
Other operating expenditures		89,570	
Capital outlay		127,174	
Total	581,579	368,631	212,948
 Library			
Other operating expenditures	40,000	38,251	1,749
 Total Cultural and Recreational	621,579	406,882	214,697

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		2,194,645	
Other operating expenditures		225,638	
Capital outlay		19,821	
Total	2,883,979	2,440,104	443,875
Programs			
Public assistance		805	
SAA		304,745	
State Foster care		15,461	
Medicaid		3,865	
Legal services		51,337	
Chore services		43,911	
Adoption assistance		19,544	
Foster Child Adoption Incentive		354	
Transport of patients and other		99,578	
Work First		17,420	
AFDC - Foster Care		11,957	
Crisis Intervention		149,230	
Jobs programs		3,000	
Aid to blind		1,794	
Low Income Home Energy		237,500	
DNA testing		1,390	
Child support		442,326	
Total	1,667,565	1,404,217	263,348
Total Social Services	4,551,544	3,844,321	707,223
Debt Services			
Principal retirement		2,044,225	
Interest and fees		1,106,621	
Total	3,150,850	3,150,846	4

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Special Appropriations			
Arts Council		3,000	
Airport		20,000	
Mideast Commission		6,863	
Roanoke River Partners		2,000	
Forest service		117,068	
Historical group		15,000	
Bertie County YMCA		20,000	
Library		140,973	
Juvenile detention		20,740	
CADA		7,000	
CBA task force		4,000	
Roanoke River Basin		2,062	
Windsor Area Chamber		4,000	
Food Bank of Albemarle		2,500	
Partnership for the Sounds		8,000	
Roanoke-Chowan Safe		4,000	
Rural general public transportation		63,815	
Highway 17 Association		4,000	
Three Rivers Healthy Carolina		250	
Children Matters		29,200	
Humane Society		2,000	
Vocation Jobs/Education		27,500	
Second Chance Counts		27,500	
Cashie Drainage System		29,083	
Relay for Life		2,000	
Aulander Peanut Festival		500	
NAACP		500	
Roxobel Festival		1,000	
Black History Dinner		100	
Schools-fines and forefutures		92,526	
Resolutions Teen Court		20,055	
Site X local match		11,884	
LUCA - Mid East		17,500	
Total Special Appropriations	990,383	706,619	283,764

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
TOTAL EXPENDITURES	<u>28,793,538</u>	<u>26,332,652</u>	<u>2,460,886</u>
Revenues over (under) expenditures	(4,911,438)	(2,727,112)	(2,737,446)
Other financing sources (uses):			
Transfers from other funds:			
Capital Reserve Schools Fund	2,608,077	1,295,016	
Transfers to other funds:			
Tax Revaluation Fund	<u>(70,000)</u>	<u>(70,000)</u>	
Total other financing sources and (uses)	<u>2,538,077</u>	<u>1,225,016</u>	<u>1,313,061</u>
Revenues and other sources over (under) expenditures and other uses	<u>(2,373,361)</u>	<u>(1,502,096)</u>	<u>(1,424,385)</u>
Appropriated fund balance	<u>2,373,361</u>	-	<u>(2,373,361)</u>
Net change in fund balance	\$ <u>-</u>	(1,502,096)	\$ <u>(1,502,096)</u>
Fund balance - beginning		6,408,660	
Fund balance - ending		<u>\$ 4,906,564</u>	

OTHER MAJOR GOVERNMENTAL FUNDS

Major Governmental Funds - Revaluation Fund
Major Governmental Funds - Capital Reserve - Schools Fund

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, 2019

	2019		Variance
	Final Budget	Actual	Positive (Negative)
Expenditures			
Current:			
Revaluation	\$	\$ 192,469	\$ 90,001
Total expenditures	<u>282,470</u>	<u>192,469</u>	<u>90,001</u>
Revenues Over (Under) Expenditures	(282,470)	(192,469)	(90,001)
Other Financing Sources			
Transfers in - General Fund		70,000	-
Fund balance appropriated		-	(212,470)
Total other financing sources	<u>282,470</u>	<u>70,000</u>	<u>(212,470)</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	<u>-</u>	(122,469)	<u>(122,469)</u>
Fund balance, beginning		174,160	
Fund balance, ending		<u>\$ 51,691</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, 2019

	2019		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment earnings	\$	\$ 5,299	\$ 4,299
QSCB interest		729,047	729,047
Total Revenues	<u>1,000</u>	<u>734,346</u>	<u>733,346</u>
Other Financing Sources (Uses):			
Transfer in - Lottery Fund		237,000	
Transfer out - General Fund		(1,295,015)	1,313,062
Total transfers	<u>(2,608,077)</u>	<u>(1,058,015)</u>	<u>1,313,062</u>
Revenues and Other Sources			
Over (Under) Expenditures	(2,607,077)	(323,669)	2,046,408
Appropriated fund balance	<u>2,607,077</u>	<u>-</u>	<u>(2,607,077)</u>
Revenues, other sources (uses), and appropriated fund balance over (under) expenditures	\$ <u>-</u>	(323,669)	\$ <u>(560,669)</u>
Fund Balance, beginning		644,319	
Fund Balance, ending		<u>\$ 320,650</u>	

Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents	\$ 89,263	\$ 23,205	\$ 112,468
Accounts receivable, net	15,830	288,652	304,482
Total Assets	<u>\$ 105,093</u>	<u>\$ 311,857</u>	<u>\$ 416,950</u>
Liabilities and Fund Balances:			
Current liabilities:			
Accounts payable	\$ 2,494	\$ 15,305	\$ 17,799
Due from other funds	-	695,323	695,323
Total liabilities	<u>2,494</u>	<u>710,628</u>	<u>713,122</u>
Fund Balances:			
Restricted			
Stabilization by State Statute	15,830	288,652	304,482
Unassigned	86,769	(687,423)	(600,654)
Total fund balances	<u>102,599</u>	<u>(398,771)</u>	<u>(296,172)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 105,093</u>	<u>\$ 311,857</u>	<u>\$ 416,950</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, 2019

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Investment earnings	\$ 451	\$ -	\$ 451
Lottery proceeds	237,000	-	237,000
Intergovernmental revenues	189,965	511,436	701,401
Miscellaneous	-	-	-
Total revenues	<u>427,416</u>	<u>511,436</u>	<u>938,852</u>
Expenditures:			
Current:			
Public safety	162,748	-	162,748
Economic and physical development	-	965,687	965,687
Total Expenditures	<u>162,748</u>	<u>965,687</u>	<u>1,128,435</u>
Revenues Over (Under) Expenditures	<u>264,668</u>	<u>(454,251)</u>	<u>(189,583)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(237,000)</u>	-	<u>(237,000)</u>
Total other financing sources (uses)	<u>(237,000)</u>	<u>-</u>	<u>(237,000)</u>
Net change in Fund Balance	27,668	(454,251)	(426,583)
Fund balances:			
Beginning of Year, July 1	<u>74,931</u>	<u>55,480</u>	<u>130,411</u>
End of year, June 30	<u>\$ 102,599</u>	<u>\$ (398,771)</u>	<u>\$ (296,172)</u>

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Bertie County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds			Capital Project Funds						
	Emergency Telephone System	Lottery Fund	Total Nonmajor Special Revenue Funds	Library Co-Op Extension Building Fund	Library Co-Op Construction	EMS Building Fund	Disaster Recovery Fund	Capital Project - Schools	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:										
Cash and investments	\$ 89,263	\$ -	\$ 89,263	\$ 20,282	\$ -	\$ -	\$ -	\$ 2,923	\$ 23,205	\$ 112,468
Accounts receivable (net)	15,830	-	15,830	-	-	288,652	-	-	288,652	304,482
Total Assets	<u>\$ 105,093</u>	<u>\$ -</u>	<u>\$ 105,093</u>	<u>\$ 20,282</u>	<u>\$ -</u>	<u>\$ 288,652</u>	<u>\$ -</u>	<u>\$ 2,923</u>	<u>\$ 311,857</u>	<u>\$ 416,950</u>
Liabilities:										
Accounts payable	\$ 2,494	\$ -	\$ 2,494	\$ -	\$ -	\$ 3,685	\$ 11,620	\$ -	\$ 15,305	\$ 17,799
Due to other funds	-	-	-	-	179,446	449,297	63,657	2,923	695,323	695,323
Total liabilities	<u>2,494</u>	<u>-</u>	<u>2,494</u>	<u>-</u>	<u>179,446</u>	<u>452,982</u>	<u>75,277</u>	<u>2,923</u>	<u>710,628</u>	<u>713,122</u>
Fund Balances:										
Restricted										
Stabilization by State Statute	15,830	-	15,830	-	-	288,652	-	-	288,652	304,482
Unassigned	86,769	-	86,769	20,282	(179,446)	(452,982)	(75,277)	-	(687,423)	(600,654)
Total fund balances	<u>102,599</u>	<u>-</u>	<u>102,599</u>	<u>20,282</u>	<u>(179,446)</u>	<u>(164,330)</u>	<u>(75,277)</u>	<u>-</u>	<u>(398,771)</u>	<u>(296,172)</u>
Total liabilities and fund balances	<u>\$ 105,093</u>	<u>\$ -</u>	<u>\$ 105,093</u>	<u>\$ 20,282</u>	<u>\$ -</u>	<u>\$ 288,652</u>	<u>\$ -</u>	<u>\$ 2,923</u>	<u>\$ 311,857</u>	<u>\$ 416,950</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, 2019

	Special Revenue Funds			Capital Project Funds					Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Emergency Telephone System	Lottery Fund	Total Nonmajor Special Revenue Funds	Library Co-Op Extension Building Fund	Library Co-Op Construction Fund	EMS Building Fund	Disaster Recovery Fund	Capital Project - Schools		
Revenues:										
Investment earnings	\$ 451	\$ -	\$ 451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451
Lottery proceeds	-	237,000	237,000	-	-	-	-	-	-	237,000
Intergovernmental revenues	189,965	-	189,965	176,061	-	335,375	-	-	511,436	701,401
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>190,416</u>	<u>237,000</u>	<u>427,416</u>	<u>176,061</u>	<u>-</u>	<u>335,375</u>	<u>-</u>	<u>-</u>	<u>511,436</u>	<u>938,852</u>
Expenditures:										
Current:										
Public safety	162,748	-	162,748	-	-	-	-	-	-	162,748
Economic and physical development	-	-	-	213,477	179,446	528,227	44,537	-	965,687	965,687
Total Expenditures	<u>162,748</u>	<u>-</u>	<u>162,748</u>	<u>213,477</u>	<u>179,446</u>	<u>528,227</u>	<u>44,537</u>	<u>-</u>	<u>965,687</u>	<u>1,128,435</u>
Excess (deficiency) of revenues over (under) expenditures	27,668	237,000	264,668	(37,416)	(179,446)	(192,852)	(44,537)	-	(454,251)	(189,583)
Other Financing Sources (Uses):										
Transfers out	-	(237,000)	(237,000)	-	-	-	-	-	-	(237,000)
Total other financing sources (uses)	<u>-</u>	<u>(237,000)</u>	<u>(237,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,000)</u>
Net change in Fund Balance	27,668	-	27,668	(37,416)	(179,446)	(192,852)	(44,537)	-	(454,251)	(426,583)
Fund balance, beginning	74,931	-	74,931	57,698	-	28,522	(30,740)	-	55,480	130,411
Fund balance, ending	<u>\$ 102,599</u>	<u>\$ -</u>	<u>\$ 102,599</u>	<u>\$ 20,282</u>	<u>\$ (179,446)</u>	<u>\$ (164,330)</u>	<u>\$ (75,277)</u>	<u>\$ -</u>	<u>\$ (398,771)</u>	<u>\$ (296,172)</u>

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, 2019

	2019		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Investment earnings	\$	\$ 451	\$ (49)
Lotter proceeds		-	-
Intergovernmental revenues		189,965	-
Miscellaneous		-	-
Total Revenues	<u>190,465</u>	<u>190,416</u>	<u>(49)</u>
Expenditures			
Current:			
Public safety	\$	\$ 162,748	\$ 27,717
Economic and physical development		-	-
Total Expenditures	<u>190,465</u>	<u>162,748</u>	<u>27,717</u>
Revenues Over (Under) Expenditures	\$ <u>-</u>	27,668	\$ <u>27,668</u>
Fund balance, beginning		74,931	
Fund balance, ending		<u>\$ 102,599</u>	

Bertie County, North Carolina
Lottery Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	2019		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Investment earnings	\$	\$ -	\$ -
Lottery proceeds		237,000	-
Intergovernmental revenues		-	-
Miscellaneous		-	-
Total Revenues	<u>237,000</u>	<u>237,000</u>	<u>-</u>
Expenditures			
Current:			
Public safety	\$	\$	\$ -
Economic and physical development		-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	237,000	237,000	-
Other Financing Sources (Uses):			
Transfers out		(237,000)	-
Total other financing sources (uses)	<u>(237,000)</u>	<u>(237,000)</u>	<u>-</u>
Net change in fund balance	\$ <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, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
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>136,387</u>	<u>176,061</u>	<u>312,448</u>	<u>(307,552)</u>
Expenditures:					
Economic and physical development	620,000	78,689	213,477	292,166	327,834
Total Expenditures	<u>620,000</u>	<u>78,689</u>	<u>213,477</u>	<u>292,166</u>	<u>327,834</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>57,698</u>	(37,416)	\$ <u>20,282</u>	\$ <u>20,282</u>
Fund Balance, beginning			57,698		
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, 2019

	Project	Actual		Total to	Variance Positive
	Authorization	Prior Years	Current Year	Date	(Negative)
Revenues:					
Golden Leaf Grant	\$ 4,125,768	\$ -	\$ -	\$ -	\$ (4,125,768)
Donations	420,282	-	-	-	(420,282)
Total Revenues	<u>4,546,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,546,050)</u>
Expenditures:					
Economic and physical development	4,546,050	-	179,446	179,446	4,366,604
Total Expenditures	<u>4,546,050</u>	<u>-</u>	<u>179,446</u>	<u>179,446</u>	<u>4,366,604</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(179,446)	\$ <u>(179,446)</u>	\$ <u>(179,446)</u>
Fund Balance, beginning			-		
Fund Balance, ending			\$ <u>(179,446)</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, 2019

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
Revenues:					
Intergovernmental revenues	\$ 704,299	\$ 166,502	\$ 335,375	\$ 501,877	\$ (202,422)
Total Revenues	<u>704,299</u>	<u>166,502</u>	<u>335,375</u>	<u>501,877</u>	<u>(202,422)</u>
Expenditures:					
Economic and physical development	704,299	137,980	528,227	666,207	38,092
Total Expenditures	<u>704,299</u>	<u>137,980</u>	<u>528,227</u>	<u>666,207</u>	<u>38,092</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>28,522</u>	(192,852)	\$ <u>(164,330)</u>	\$ <u>(164,330)</u>
Fund Balance, beginning			28,522		
Fund Balance, ending			\$ <u>(164,330)</u>		

Bertie County, North Carolina
Disaster 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, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State grant	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
Total Revenues	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Expenditures:					
Economic and physical development	<u>1,000,000</u>	<u>30,740</u>	<u>44,537</u>	<u>75,277</u>	<u>924,723</u>
Total Expenditures	<u>1,000,000</u>	<u>30,740</u>	<u>44,537</u>	<u>75,277</u>	<u>924,723</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(30,740)</u>	(44,537)	\$ <u>(75,277)</u>	\$ <u>(75,277)</u>
Fund Balance, beginning			<u>(30,740)</u>		
Fund Balance, ending			\$ <u>(75,277)</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, 2019

	2019		Variance
	Final Budget	Actual	Positive (Negative)
Operating Revenues:			
Charges for services			
Sewage and garbage collection fees	\$	\$ 6,551	\$
Tap fees		46,260	
Service fees		250	
Connetion fees		16,150	
Reconnection fees		28,125	
Penalties		38,561	
Sale of water		2,309,842	
Other operating revenue		60,435	
Total Operating Revenues	<u>2,922,766</u>	<u>2,506,174</u>	<u>(416,592)</u>
Nonoperating Revenues:			
Investment earnings		10,484	484
Total Nonoperating Revenues	<u>10,000</u>	<u>10,484</u>	<u>484</u>
Total Revenues	2,932,766	2,516,658	(416,108)
Administration Expenditures:			
Salaries and employment benefits	616,346	606,544	9,802
Other administration expenditures	1,099,557	974,256	125,301
Total Administration Expenditures	<u>1,715,903</u>	<u>1,580,800</u>	<u>135,103</u>
Operating Expenditures:			
Repairs and Maintenance	108,100	101,404	6,696
Other operating expenditures	81,005	5,215	75,790
Total Operating Expenditures	<u>189,105</u>	<u>106,619</u>	<u>82,486</u>
Total Expenditures	1,905,008	1,687,419	217,589
Debt service:			
Principal		577,700	
Interest, fees and amortization		442,086	
Total Operating Revenues	<u>1,027,758</u>	<u>1,019,786</u>	<u>7,972</u>
Total Expenditures	<u>2,932,766</u>	<u>2,707,205</u>	<u>225,561</u>
Revenues Over (Under) Expenditures	-	(190,547)	(190,547)
Other Financing Sources (Uses):			
Transfers out		-	-
Appropriated net assets		-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under)			
Expenditures	\$ <u>-</u>	(190,547)	\$ <u>(190,547)</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, 2019**

	2019		Variance
	Final Budget	Actual	Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		(190,547)	
Reconciling items:			
Depreciation and amortization		(826,818)	
Capital outlay		37,861	
Debt principal		577,700	
Tax refunds		31,853	
Capital contributions		275,473	
Interest earnings		10,484	
Increase (decrease) in deferred outflows of resources - pensions and OPEB		162,314	
(Increase) decrease in net pension liability		(85,770)	
(Increase) decrease in deferred inflows of resources - pensions and OPEB		622	
(Increase) decrease in net OPEB liability		(184,773)	
(Increase) decrease in accrued vacation payable		895	
Change in net position		<u><u>\$ (190,706)</u></u>	

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, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Tax refunds	\$ -	\$ 11,211	\$ 12,794	\$ 24,005	\$ 24,005
Total Revenues	<u>-</u>	<u>11,211</u>	<u>12,794</u>	<u>24,005</u>	<u>24,005</u>
Expenditures:					
Construction	878,933	835,974	43,407	879,381	(448)
Engineering	379,500	345,358	34,143	379,501	(1)
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>77,550</u>	<u>1,285,177</u>	<u>25,018</u>
Revenues over (under) expenditures	(1,310,195)	(1,196,416)	(64,756)	(1,261,172)	49,023
Other Financing Sources (Uses):					
NC DWSRR Loan	1,283,408	1,132,878	81,291	1,214,169	(69,239)
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>81,291</u>	<u>1,240,956</u>	<u>(69,239)</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>(36,751)</u>	<u>16,535</u>	\$ <u>(20,216)</u>	\$ <u>(20,216)</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, 2019

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
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>1,074,000</u>	<u>1,124,290</u>	<u>-</u>	<u>1,124,290</u>	<u>50,290</u>
Expenditures:					
Construction	2,600,616	2,597,797	-	2,597,797	2,819
Engineering	467,957	436,957	-	436,957	31,000
Acquisition	-	-	-	-	-
Administration	3,375	6,366	-	6,366	(2,991)
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>3,135,276</u>	<u>3,099,739</u>	<u>-</u>	<u>3,099,739</u>	<u>35,537</u>
Revenues over (under) expenditures	(2,061,276)	(1,975,449)	-	(1,975,449)	85,827
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>(50,291)</u>	\$ <u>33,062</u>	<u>-</u>	\$ <u>33,062</u>	\$ <u>83,353</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, 2019

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

Bertie County, North Carolina
Drinking Water State Revolving Fund - Roxobel Merger
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2019

		Actual			Variance
	Project				Positive
	Authorization	Prior Years	Current Year	Total to Date	(Negative)
Revenues:					
Restricted intergovernmental:					
State grants	\$ 500,000	\$ -	\$ 255,447	\$ 255,447	\$ (244,553)
Tax refunds	-	5,713	19,059	24,772	24,772
Total Revenues	<u>500,000</u>	<u>5,713</u>	<u>274,506</u>	<u>280,219</u>	<u>(219,781)</u>
Expenditures:					
Construction	1,490,108	1,061,471	354,474	1,415,945	74,163
Engineering	388,500	345,400	43,100	388,500	-
Acquisition	16,278	15,352	926	16,278	-
Legal	6,376	5,863	513	6,376	-
Miscellaneous	39,895	39,895	-	39,895	-
Contingency	<u>35,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,203</u>
Total Expenditures	<u>1,976,360</u>	<u>1,467,981</u>	<u>399,013</u>	<u>1,866,994</u>	<u>109,366</u>
Revenues over (under) expenditures	(1,476,360)	(1,462,268)	(124,507)	(1,586,775)	(110,415)
Other Financing Sources (Uses):					
NC DWSRR Loan	1,437,608	1,266,305	171,303	1,437,608	-
Transfer from Water	<u>38,752</u>	<u>38,752</u>	<u>-</u>	<u>38,752</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,476,360</u>	<u>1,305,057</u>	<u>171,303</u>	<u>1,476,360</u>	<u>-</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>(157,211)</u>	<u>46,796</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, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
Revenues:					
Restricted intergovernmental:					
State grants - H-AIA-D-2017-0062-2347-536919	\$ 150,000	\$ 62,653	\$ -	\$ 62,653	\$ (87,347)
Total Revenues	<u>150,000</u>	<u>62,653</u>	<u>-</u>	<u>62,653</u>	<u>(87,347)</u>
Expenditures:					
Engineering	155,250	65,600	10,822	76,422	78,828
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>66,863</u>	<u>10,822</u>	<u>77,685</u>	<u>79,815</u>
Revenues over (under) expenditures	(7,500)	(4,210)	(10,822)	(15,032)	(7,532)
Other Financing Sources (Uses):					
Transfer from Water	<u>7,500</u>	<u>4,210</u>	<u>3,290</u>	<u>7,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>7,500</u>	<u>4,210</u>	<u>3,290</u>	<u>7,500</u>	<u>-</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	<u>(7,532)</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, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
Revenues:					
Restricted intergovernmental:					
State grants	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
Total Revenues	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Expenditures:					
Engineering	155,250	-	-	-	155,250
Administration	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
Total Expenditures	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,500</u>
Revenues over (under) expenditures	(7,500)	-	-	-	7,500
Other Financing Sources (Uses):					
Transfer from Water	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Revenues and other sources over (under) expenditures	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	<u><u>7,500</u></u>	\$ <u><u>7,500</u></u>	\$ <u><u>7,500</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, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
Revenues:					
Restricted intergovernmental:					
State grants	\$ 88,800	\$ 69,209	\$ 9,204	\$ 78,413	\$ (10,387)
Total Revenues	<u>88,800</u>	<u>69,209</u>	<u>9,204</u>	<u>78,413</u>	<u>(10,387)</u>
Expenditures:					
Engineering	91,908	72,317	9,204	81,521	10,387
Administration	<u>1,332</u>	<u>1,332</u>	<u>-</u>	<u>1,332</u>	<u>-</u>
Total Expenditures	<u>93,240</u>	<u>73,649</u>	<u>9,204</u>	<u>82,853</u>	<u>10,387</u>
Revenues over (under) expenditures	(4,440)	(4,440)	-	(4,440)	-
Other Financing Sources (Uses):					
Transfer from Water	<u>4,440</u>	<u>4,440</u>	<u>-</u>	<u>4,440</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,440</u>	<u>4,440</u>	<u>-</u>	<u>4,440</u>	<u>-</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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, 2019

	2019		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Operating revenues:			
User charges	\$ <u> </u>	\$ <u>64,081</u>	\$ <u>(1,919)</u>
Total Revenues	<u>66,000</u>	<u>64,081</u>	<u>(1,919)</u>
Expenditures			
Operating:			
Administration	\$ <u> </u>	\$ <u>40,815</u>	\$ <u>25,185</u>
Total Expenditures	<u>66,000</u>	<u>40,815</u>	<u>25,185</u>
Revenues Over (Under) Expenditures	\$ <u> </u>	<u>23,266</u>	\$ <u>23,266</u>
Reconciliation from budgetary basis			
(modified accrual) to full accrual:			
Depreciation		<u>(12,234)</u>	
Change in net position		<u>11,032</u>	

AGENCY FUNDS

Agency funds are used to account for assets the County holds on behalf of others.

Bertie County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 6,416	\$ -	\$ -	\$ 6,416
Liabilities:				
Miscellaneous liabilities	\$ 6,416	\$ -	\$ -	\$ 6,416
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 92,526	\$ 92,526	\$ -
Liabilities				
Intergovernmental payable - Bertie County Board of Education	\$ -	\$ 92,526	\$ 92,526	\$ -
Tax				
Assets:				
Cash and cash equivalents	\$ 244	\$ 751,061	\$ 754,162	\$ (2,857)
Liabilities				
Intergovernmental payable	\$ 244	\$ 751,061	\$ 754,162	\$ (2,857)
Pest Management				
Assets:				
Cash and cash equivalents	\$ 4,417	\$ 9,843	\$ 8,022	\$ 6,238
Liabilities				
Miscellaneous liabilities	\$ 4,417	\$ 9,843	\$ 8,022	\$ 6,238
Total - All Agency Funds:				
Assets:				
Cash and Investments	\$ 11,077	\$ 853,430	\$ 854,710	\$ 9,797
Liabilities				
Miscellaneous liabilities	\$ 11,077	\$ 853,430	\$ 854,710	\$ 9,797

OTHER SCHEDULES

This sections includes additional information on property taxes

General Fund Schedule of Ad Valorem Taxes Receivable

County-Wide Levy Analysis of Curreny Tax Levy

Bertie County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2018</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 10,917,134	\$ 10,596,374	\$ 320,760
2017-2018	297,031	-	175,978	121,053
2016-2017	201,360	86	133,030	68,416
2015-2016	109,167	75	15,508	93,734
2014-2015	32,548	74	7,018	25,604
2013-2014	41,029	36	4,792	36,273
2012-2013	36,654	17	2,645	34,026
2011-2012	25,733	-	1,668	24,065
2010-2011	18,905	-	939	17,966
2009-2010	17,171	-	1,117	16,054
2008-2009	19,688	-	19,688	-
TOTALS	\$ <u>799,286</u>	\$ <u>10,917,422</u>	\$ <u>10,958,757</u>	\$ <u>757,951</u>
Less: Allowance for uncollectable accounts:				
General Fund				<u>(117,457)</u>
Ad valorem taxes receivable - net:				
General Fund				\$ <u>640,494</u>
<u>Reconcilement with revenues</u>				
Ad valorem taxes - General Fund				\$ 11,067,557
Reconciling items:				
Interest collected				(147,700)
Taxes written off and adjustments				<u>38,900</u>
Total Collections and Credits				\$ <u>10,958,757</u>

Bertie County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2019

	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	\$ 1,323,936,265	0.8300%	\$ 10,988,671	\$ 9,619,984	\$ 1,368,687
Total	<u>1,323,936,265</u>		<u>10,988,671</u>	<u>9,619,984</u>	<u>1,368,687</u>
Discoveries:					
Current year taxes	158,795	0.8300%	1,318	1,256	62
Abatements taxed at current year's rate	<u>(8,777,711)</u>	0.8300%	<u>(72,855)</u>	<u>(72,855)</u>	<u>-</u>
Total property valuation	\$ <u><u>1,315,317,349</u></u>				
Net Levy			10,917,134	9,548,385	1,368,749
Current year's taxes collected			10,596,374	9,227,625	1,368,749
Uncollected taxes at June 30, 2019			\$ 320,760	\$ 320,760	\$ -
Current levy collection percentage			<u><u>97.06%</u></u>	<u><u>96.64%</u></u>	<u><u>100%</u></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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the Bertie County's basic financial statements, and have issued our report thereon dated June 18, 2020. Our report includes a reference to other auditors who audited the financial statements of the Bertie County ABC Board, as described in our report on Bertie County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Bertie County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain

deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a material weaknesses, listed as 2019-002.

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiency, listed as 2019-001 and 2019-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bertie County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items, listed as 2019-002.

Bertie County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

June 18, 2020



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

Independent Auditor's Report

To the Board of County Commissioners
Bertie County, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, Bertie County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding number 2019-002 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Bertie County to comply with the requirements applicable to that program.

Qualified Opinion on Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the Medical Assistance Program for the year ended June 30, 2019.

Unmodified Opinion the Other Major Federal Program

In our opinion, Bertie County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019 - 002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019 – 001 to be a significant deficiency.

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

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

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

Wilmington, North Carolina
June 18, 2020



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

Independent Auditor's Report

To the Board of County Commissioners
Bertie County, North Carolina

Report on Compliance for Each Major State Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

Wilmington, North Carolina

June 18, 2020

BERTIE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? ☒ yes ☐ 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 Weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(s) identified? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified for all federal programs except for Medical Assistance Program (Title XIX – Medicaid)

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major federal programs:

CFDA # Program Name

93.778 Medical Assistance Program (Title XIX – Medicaid)
10.561 Supplemental Nutrition Assistance Program

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

Auditee qualified as low-risk auditee? ☐ yes ☒ no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be a material weakness. ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ☐ yes ☒ no

Identification of major State programs:

Program Name

Public School Building Capital Fund - Lottery Proceeds
Golden Leaf Grant

BERTIE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding: 2019 – 003 Timeliness of Audit Report Submission

Criteria: The June 30, 2019 audit was submitted passed the required due date. This is a violation of G.S. 159-34.

Condition: The County contracted with a new audit firm which caused delays in initial field work. COVID-19 set the process back further resulting in delays.

Context: The County contracted with a new audit firm and COVID-19 caused delays. This delayed the completion of the County's audit.

Effect: The reports are a requirement of General Statutes, lateness created the statute violation.

Cause: Initial year audit and COVID-19 caused delays in completing the audit.

Recommendation: The audit firm will ensure timely completion of future audits.

Views of responsible officials and planned corrective actions: The County agrees with this finding and has already taken action.

Finding: 2019 – 001 See Federal Findings

MATERIAL WEAKNESS

Finding: 2019 – 002 See Federal Findings

BERTIE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section III – Federal Award Findings and Questioned Costs

SIGNIFICANT DEFICIENCY

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

Finding: 2019 – 001

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were forty one (41) 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: Eight (8) did not have child support referrals completed, Eleven (11) did not have accurate budget calculations in NC FAST, Thirteen (13) lacked sufficient required documentation, Six (6) contained a budget error, Three (3) contained a clerical errors in data entry.

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

Context: We examined 60 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued report 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 and a participant could have been approved for benefits that they were not eligible.

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. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

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

BERTIE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section III – Federal Award Findings and Questioned Costs

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

Finding: 2019 – 002

**MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE
ELIGIBILITY**

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that tax records and Register of Deeds were checked to verify if the individual owns property. The files should also contain documentation on any property found as to whether it is a countable resource or is exempt from the resources calculation.

Condition: There was one error in each of three files dealing with the following:

- Two were found to have benefits to be paid outside of certification period.
- One case contained a budget calculation error which resulted in the client receiving a benefit of which they were not eligible.

Questioned Costs: There were questioned costs of \$2,121 on these cases. This amount was determined by totaling all the aid received by the applicants who were not eligible.

Context: Of the 3,424 case files, we examined 60 applicants and determined that three applicants received assistance for which eligibility was not properly determined.

Effect: For that certification/recertification there was a chance that property was owned that would not have been treated as a countable resource and a person could have been approved for benefits that they were not eligible.

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 a print out as evidence that the Register of Deeds was checked and the results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

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

BERTIE COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section IV – State Award Findings and Questioned Costs

None.

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
June 30, 2019

Section II – Financial Statement Findings

Finding 2019 – 003 Name of contact person: Juan Vaughan, County Manager

Corrective Action: The audit firm will ensure timeliness of required filings.

Proposed Completion Date: Immediately.

Section III – Federal Award Findings and Questioned Costs

Finding 2019 – 001 Name of contact person: Cindy Perry, Director

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created “Documentation Policy” to remind each of the policies and procedures to be followed in the application process. In addition, second party reviews will be conducted to monitor the actual application of the policy. The finance office will assist with these reviews.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

Finding 2019 – 002 Name of contact person: Cindy Perry, Director

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created “Documentation Policy” to remind each of the policies and procedures to be followed in the application process. In addition, second party reviews will be conducted to monitor the actual application of the policy. The finance office will assist with these reviews.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

BERTIE COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
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:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		337,051	-	-	337,050
Total U.S. Department of Agriculture			<u>337,051</u>	<u>-</u>	<u>-</u>	<u>337,050</u>
<u>U.S. Dept. of Justice</u>						
Passed through N.C. Dept. of Public Safety						
Bulletproof Vest Partnership Program	16.607		2,165	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		24,500	-	-	-
Total U.S. Dept. of Justice			<u>26,665</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		125,359	41,786	-	-
Emergency Service Performance Grant	97.042		19,262	19,262	-	-
Total U. S. Department of Homeland Security			<u>144,621</u>	<u>61,048</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Health & Human Services</u>						
Passed-through N.C. Department of Health and Human Services: Division of Aging and Adult Services:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		52,602	3,094	-	6,189
Special Programs for the Aging - Title III C Nutrition Services						
Congregate Meals	93.045		42,802	2,518	-	5,036
Home Delivered Meals	93.045		19,199	1,129	-	2,259
Nutrition Services Incentive Program	93.053		13,676	-	-	-
Total Aging Cluster			<u>128,279</u>	<u>6,741</u>	<u>-</u>	<u>-</u>
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		194,902	-	-	188,090
Total TANF Cluster			<u>194,902</u>	<u>-</u>	<u>-</u>	<u>188,090</u>
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658		48,747	6,284	-	36,569
Foster Care	N/A		5,698	-	-	10,699
Adoption Assistance	93.659		982	-	-	894
Total Foster Care and Adoption Cluster (Note 4)			<u>55,427</u>	<u>6,284</u>	<u>-</u>	<u>48,162</u>

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Child Support Enforcement	93.563		381,523	-	-	196,542
Low-Income Home Energy Assistance:						
Administration	93.568		28,683	-	-	-
Energy Assistance Payments	93.568		237,800	-	-	-
Crisis Intervention Program	93.568		144,507	-	-	-
Total Low-Income Home Energy Assistance			410,990	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		222	-	-	74
Total Stephanie Tubbs Jones Child Welfare Services Program			222	-	-	74
SSBG - Other Service and Training	93.667		168,018	-	-	56,006
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		6,701	-	-	957
SSBG - Adult Protective Care	93.667		15,006	-	-	5,002
Total Social Service Block Grant			189,725	-	-	61,965
<u>Division of Child Development and Early Education</u>						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care (Note 4)						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		80,379	-	-	-
Total Child Care Fund Cluster			80,379	-	-	-
Total Subsidized Child Care (Note 4)			80,379	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Health Benefit:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		941,812	10,191	-	358,202
Total Medical Assistance Program			941,812	10,191	-	358,202
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		31,120	-	-	-
Total State Children's Insurance Program - N.C. Health Choice			31,120	-	-	-
Total U.S. Dept. of Health and Human Services			2,414,377	23,216	-	853,035
Total federal awards			2,922,714	84,265	-	1,190,086

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

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>	<u>Local Expenditures</u>
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Services			-	2,216	-	-
Total N.C. Dept. of Administration			-	2,216	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match			-	3,600	-	-
NC Agriculture Cost Share - Technical Assistance			-	23,300	-	-
Total N.C. Dept. Environmental Quality			-	26,900	-	-
<u>N.C. Department of Health and Human Services</u>						
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	4,718	-	-
State Foster Home			-	2,456	-	2,456
Non-Allocating Reimbursable			-	-	-	41,935
Work First Non Reimbursable			-	-	-	20,900
County Funded Programs			-	-	-	221,251
Total Division of Social Services			-	7,174	-	286,541
<u>N.C. Dept. of Insurance</u>						
SHIIP Grant			-	2,607	-	-
Total N.C. Dept. of Insurance			-	2,607	-	-
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	156,304	-	-
Total N.C. Dept. of Public Instruction			-	156,304	-	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs			-	99,332	-	-
Total N.C. Dept. of Public Safety			-	99,332	-	-
Golden Leaf Foundation - Disaster Assistance			-	248,768	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.8.1	-	43,264	-	-
ROAP Rural General Public Program		36228.22.8.1	-	56,382	-	-
ROAP Work First Transitional - Employment		36236.11.7.1	-	7,432	-	-
Total ROAP Cluster			-	107,078	-	-
Total N.C. Dept. of Transportation			-	107,078	-	-
<u>Administrative Office of the Courts</u>						
Safe Roads Act			-	1,327	-	-
Total State awards			-	651,706	-	286,541

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Total federal and State awards			\$ 2,922,714	\$ 735,970	\$ -	\$ 1,476,627

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, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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: Subsidized Child Care and Foster Care and Adoption

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	155,700	-
Supplemental Nutrition Assistance Program	10.551	5,551,110	-
Temporary Assistance for Needy Families	93.558	71,732	-
Adoption Assistance	93.659	59,670	14,538
Family Preservation	93.556	-	-
Medical Assistance Program	93.778	29,190,034	15,908,071
Children's Health Insurance Program	93.767	302,140	-
Child Welfare Services Adoption	N/A	-	16,641
SAA/SAD HB 1030	N/A	-	12,444
SC/SA Domiciliary Care	N/A	-	283,657