

Pamlico County, North Carolina

FINANCIAL REPORT

June 30, 2019



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Carr, Riggs & Ingram, LLC
3105 Trent Road
New Bern, North Carolina 28563

Mailing Address:
P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Pamlico County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico 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 Pamlico 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Pamlico County ABC Board, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pamlico 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 Pamlico 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico 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 and Hazard Mitigation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions on pages 75 and 76, 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 on pages 77 and 78, 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 on pages 79 and 80, and the Other Postemployment Benefits' Schedule of Changes in Total OPEB Liability and Related Ratios on page 81 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 Pamlico County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 November 26, 2019 on our consideration of Pamlico 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 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 Pamlico County's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

New Bern, North Carolina
November 26, 2019

Pamlico County Management's Discussion and Analysis

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

Financial Highlights

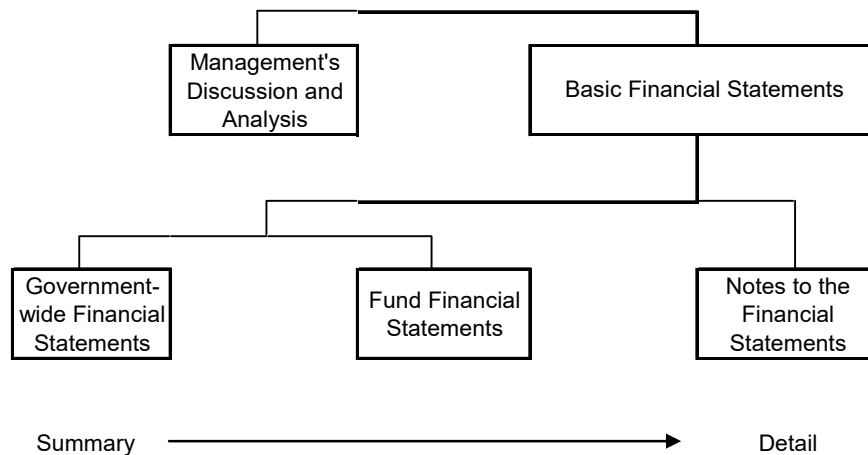
- The assets and deferred outflows of resources of Pamlico County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,719,524 (*net position*).
- The government's total net position decreased by \$2,656,188, primarily due to the governmental funds.
- As of the close of the current fiscal year, Pamlico County's governmental funds reported combined ending fund balances of \$9,564,130, a decrease of \$1,376,151, in comparison with the prior year. Approximately 23.94% of this total amount or \$2,289,810 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,213,822, or 25.66% of total general fund expenditures of \$24,212,230 for the fiscal year.
- Pamlico County's total debt increased by \$849,753 or 6.96% during the current fiscal year. The key factor in this increase was the new loan taken out to fund Hurricane Florence expenditures.
- Tax collection rate was 96.24% for FY 2018-2019. This represents a slight decrease from last year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Pamlico 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 Pamlico County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

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

Government-wide Financial Statements

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

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

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

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

Pamlico County Management's Discussion and Analysis

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.

Pamlico 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 – Pamlico 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. Pamlico County uses enterprise funds to account for its water operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Pamlico County has three 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 28 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Pamlico County's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 75 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$22,719,524 as of June 30, 2019. The County's net position decreased by \$2,656,188 for the fiscal year ended June 30, 2019. One of the largest portions \$12,151,099 (53.48%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment).

Pamlico County Management's Discussion and Analysis

Pamlico County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pamlico 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 Pamlico County's net position \$2,286,930 (10.07%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,281,495 is unrestricted.

Pamlico County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 11,405,714	\$ 12,877,977	\$ 3,798,192	\$ 4,726,163	\$ 15,203,906	\$ 17,604,140
Capital assets	11,264,496	11,195,867	12,899,181	11,897,614	24,163,677	23,093,481
Deferred outflows of resources	1,784,797	1,170,589	107,852	84,932	1,892,649	1,255,521
Total assets and deferred outflows of resources	24,455,007	25,244,433	16,805,225	16,708,709	41,260,232	41,953,142
Long-term liabilities	13,836,779	11,916,035	3,306,037	3,485,709	17,142,816	15,401,744
Other liabilities	795,983	851,301	434,861	148,108	1,230,844	999,409
Deferred inflows of resources	161,128	169,204	5,920	7,073	167,048	176,277
Total liabilities and deferred inflows of resources	14,793,890	12,936,540	3,746,818	3,640,890	18,540,708	16,577,430
Net position:						
Net investment in capital assets	2,324,731	3,618,216	9,826,368	8,620,714	12,151,099	12,238,930
Restricted	2,286,930	1,700,032	-	-	2,286,930	1,700,032
Unrestricted	5,049,456	6,989,645	3,232,039	4,447,105	8,281,495	11,436,750
Total net position	\$ 9,661,117	\$ 12,307,893	\$ 13,058,407	\$ 13,067,819	\$ 22,719,524	\$ 25,375,712

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

- Continued diligence in the collection of property taxes, both current year levy and prior year delinquent taxes.
- Revenues were higher than budgeted in property taxes, sales taxes, other taxes, and permits and fees.
- Savings were realized in several departments due to lapsed salaries, as well as unspent supplies, utilities and equipment appropriations.

Pamlico County Management's Discussion and Analysis

Pamlico County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 2,936,681	\$ 1,920,961	\$ 2,534,194	\$ 2,509,014	\$ 5,470,875	\$ 4,429,975
Operating grants	4,012,786	3,850,349	-	-	4,012,786	3,850,349
Capital grants	-	-	500,000	-	500,000	-
General revenues:						
Property taxes	11,540,818	11,340,557	-	-	11,540,818	11,340,557
Local option sales tax	2,869,471	2,615,328	-	-	2,869,471	2,615,328
Other	622,314	530,409	-	-	622,314	530,409
Book value of transferred assets	-	1,032	-	(1,032)	-	-
Investment earnings	202,531	144,136	70,320	43,303	272,851	187,439
Total revenues	22,184,601	20,402,772	3,104,514	2,551,285	25,289,115	22,954,057
Expenses:						
General government	2,900,013	2,707,639	-	-	2,900,013	2,707,639
Public safety	9,753,765	5,915,129	-	-	9,753,765	5,915,129
Economic & physical development	1,714,747	1,303,038	-	-	1,714,747	1,303,038
Environmental protection	424,834	344,775	-	-	424,834	344,775
Human services	4,338,997	4,506,006	-	-	4,338,997	4,506,006
Cultural and recreation	820,469	584,710	-	-	820,469	584,710
Education	4,654,710	4,492,099	-	-	4,654,710	4,492,099
Interest on long-term debt	340,842	355,421	-	-	340,842	355,421
Water and sewer	-	-	2,996,926	2,261,569	2,996,926	2,261,569
Total expenses	24,948,377	20,208,817	2,996,926	2,261,569	27,945,303	22,470,386
Increase in net position						
before transfers	(2,763,776)	193,955	107,588	289,716	(2,656,188)	483,671
Transfers	117,000	117,000	(117,000)	(117,000)	-	-
Change in net position	(2,646,776)	310,955	(9,412)	172,716	(2,656,188)	483,671
Net position, July 1	12,307,893	12,142,754	13,067,819	12,909,739	25,375,712	25,052,493
Restatement	-	(145,816)	-	(14,636)	-	(160,452)
Net position, July 1 restated	12,307,893	11,996,938	13,067,819	12,895,103	25,375,712	24,892,041
Net position, June 30	\$ 9,661,117	\$ 12,307,893	\$ 13,058,407	\$ 13,067,819	\$ 22,719,524	\$ 25,375,712

Governmental activities. Governmental activities decreased the County's net position by \$2,646,776. Key elements of this decrease are as follows:

- Increase in public safety operating expenses related to Hurricane Florence.

Pamlico County Management's Discussion and Analysis

Business-type activities: Business-type activities decreased Pamlico County's net position by \$9,412. Key elements of this decrease are as follows:

- Increased capital grants.
- Increased operating expenses.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Pamlico County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Pamlico 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 Pamlico County. At the end of the current fiscal year, Pamlico County's fund balance available in the General Fund was \$6,213,822, while total fund balance reached \$8,944,569. The County currently has an available fund balance of 25.66% of general fund expenditures, while total fund balance represents 36.94% of that same amount.

At June 30, 2019, the governmental funds of Pamlico County reported a combined fund balance of \$9,564,130, a 12.58% 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. Pamlico County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, unrestricted net position of the Water Fund equaled \$3,232,039. There was a decrease in net position of \$9,412. Other factors concerning the finances of these funds have already been addressed in the discussion of Pamlico County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Pamlico County's capital assets for its governmental and business – type activities as of June 30, 2019, totals \$24,163,677 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

Pamlico County Management's Discussion and Analysis

Major capital asset transactions during the year include:

- Courthouse improvements
- Communication equipment for the Jail
- Public Safety vehicles
- Recycling equipment

Pamlico County's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 334,634	\$ 334,634	\$ 70,286	\$ 70,286	\$ 404,920	\$ 404,920
Construction in progress	-	319,539	1,881,143	261,788	1,881,143	581,327
Buildings and improvements	13,249,797	12,532,260	7,162,585	7,155,435	20,412,382	19,687,695
Plant	-	-	10,508,279	10,508,279	10,508,279	10,508,279
Equipment and vehicles	4,658,885	4,311,750	2,435,705	2,375,081	7,094,590	6,686,831
Subtotal	18,243,316	17,498,183	22,057,998	20,370,869	40,301,314	37,869,052
Less: accumulated depreciation	(6,978,820)	(6,302,316)	(9,158,817)	(8,473,255)	(16,137,637)	(14,775,571)
Total assets	\$ 11,264,496	\$ 11,195,867	\$ 12,899,181	\$ 11,897,614	\$ 24,163,677	\$ 23,093,481

Additional information on the County's capital assets can be found in the notes to the financial statements.

Long-term Debt. As of June 30, 2019, Pamlico County had total debt outstanding of \$13,056,130, all of which is backed by the full faith and credit of the County.

Pamlico County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment notes	\$ 9,983,317	\$ 8,902,901	\$ 3,072,813	\$ 3,276,900	\$ 13,056,130	\$ 12,179,801
Capital lease obligation	-	26,576	-	-	-	26,576
Compensated absences	368,330	352,051	27,279	27,287	395,609	379,338
Net pension liability (LGRS)	2,029,579	1,272,883	131,387	99,318	2,160,966	1,372,201
Total pension liability (LEOSSA)	377,749	361,492	-	-	377,749	361,492
Total OPEB liability	1,077,804	1,000,132	74,558	82,204	1,152,362	1,082,336
Total	\$ 13,836,779	\$ 11,916,035	\$ 3,306,037	\$ 3,485,709	\$ 17,142,816	\$ 15,401,744

Pamlico County's total bonded debt increased by \$876,329 (7.19%) during the past fiscal year, primarily due to a new loan for Hurricane Florence expenditures.

Pamlico County's total liabilities increased by \$1,741,072 (11.30%) during the past fiscal year, primarily due to increased debt associated with Hurricane Florence.

Pamlico County Management's Discussion and Analysis

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pamlico County is \$115,581,485.

Additional information regarding Pamlico County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The County's unemployment rate for August 2019 was projected at 4.3%, up from the 4.2% level reported in 2018. The State unemployment rate for August 2019 was 3.5%.
- Median household income for 2019 was projected at \$45,211, up from the 2018 estimate of \$43,808. In comparison, the State's median household income for 2018 (latest data available) was reported at \$52,752.

Over the past three years, the County has aggressively managed costs in response to uncertain economic conditions. The County's fund balance remains healthy relative to those conditions and despite considerable expenses related to Hurricane Forence. Along with staff, we remain cautious in both budget recommendations and revenue estimates.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: The approved General Fund budget is balanced at \$19,935,631 with a tax rate of \$.625 per \$100. The tax rate remained at the 2019 level. At the rate of \$.625 per \$100, estimated fiscal year 2019-2020 tax collections are budgeted at \$9,985,000, including collections from prior years. Revenue from motor vehicle collections is budgeted at \$835,000. A fund balance allocation of \$1,372,260 is included in the final budget.

A 1% cost of living adjustment is included in the budget for all employees, as well as recommended other salary adjustments.

Total Board of Education allocation is budgeted at \$4,238,414. Current expense is funded at \$3,908,414, with capital outlay at \$330,000. Pamlico Community College funding is allocated at \$655,000.

Pamlico County Management's Discussion and Analysis

Business – type Activities: Water rates for the fiscal year 2019-2020 are budgeted to increase to the levels as summarized below:

- Water usage rate - \$4.75/1,000 gallons (2 inch meters and less)
- Water usage rate - \$6.76/1,000 gallons (3 inch meters and up)
- Flat rate monthly charge for ¾ inch meter - \$15.50
- Flat rate monthly charge for 1 inch meter - \$15.50
- Flat rate monthly charge for 2 inch meter or greater - \$40.50
- Customer deposits remain at \$75

In order to spread the cost of maintenance evenly over time, the County has entered into a fifteen year maintenance contract. Other capital items funded include: (1) Anticipated pretreatment process at Kershaw / Grantsboro water treatment plants (\$126,000) and (2) installation of new generator at Kershaw Water Treatment Plant (\$55,722).

Requests for Information

This report is designed to provide an overview of the County's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to:

County Finance Officer
P.O. Box 776
Bayboro, North Carolina 28515

Pamlico County
Statement of Net Position
June 30, 2019
Exhibit 1

	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
				Pamlico
				County ABC
				Board
ASSETS				
Cash and cash equivalents	\$ 974,544	\$ 741,730	\$ 1,716,274	\$ 309,049
Investments	7,327,269	2,612,962	9,940,231	-
Taxes receivable, net	1,059,201	-	1,059,201	-
Accounts receivable, net	1,909,491	363,648	2,273,139	-
Inventories	-	20,327	20,327	325,037
Prepaid items	2,880		2,880	-
Restricted cash and cash equivalents	109,961	59,525	169,486	-
Net pension asset	22,368	-	22,368	-
Capital assets:				
Land and construction in progress	334,634	1,951,429	2,286,063	36,749
Other capital assets, net	10,929,862	10,947,752	21,877,614	47,288
Total assets	22,670,210	16,697,373	39,367,583	718,123
DEFERRED OUTFLOWS OF RESOURCES	1,784,797	107,852	1,892,649	-
LIABILITIES				
Accounts payable	707,957	375,336	1,083,293	159,208
Accrued interest payable	88,026	-	88,026	-
Customer deposits	-	59,525	59,525	-
Long-term liabilities:				
Due within one year	1,934,964	358,942	2,293,906	-
Due in more than one year	11,901,815	2,947,095	14,848,910	-
Total liabilities	14,632,762	3,740,898	18,373,660	159,208
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	52,058	-	52,058	-
Pension deferrals	109,070	5,920	114,990	-
Total deferred inflows of resources	161,128	5,920	167,048	-
NET POSITION				
Net investment in capital assets	2,324,731	9,826,368	12,151,099	84,037
Restricted for:				
Stabilization by State Statute	1,909,491	-	1,909,491	-
Other purposes	377,439	-	377,439	266,001
Unrestricted	5,049,456	3,232,039	8,281,495	208,877
Total net position	\$ 9,661,117	\$13,058,407	\$ 22,719,524	\$ 558,915

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

**Pamlico County
Statement of Activities
For the Fiscal Year Ended June 30, 2019
Exhibit 2**

Net (Expense) Revenue and Changes in Net Position

Functions/ Programs	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Pamlico County ABC Board
Primary government:								
Governmental activities:								
General government	\$ 2,900,013	\$ 100,173	\$ -	\$ -	\$ (2,799,840)	\$ -	\$ (2,799,840)	
Public safety	9,753,765	2,520,305	18,440	-	(7,215,020)	-	(7,215,020)	
Environmental protection	424,834	69,619	23,944	-	(331,271)	-	(331,271)	
Economic and physical development	1,714,747	113,005	702,915	-	(898,827)	-	(898,827)	
Human services	4,338,997	129,734	3,267,487	-	(941,776)	-	(941,776)	
Cultural and recreation	820,469	3,845	-	-	(816,624)	-	(816,624)	
Education	4,654,710	-	-	-	(4,654,710)	-	(4,654,710)	
Interest on long-term debt	340,842	-	-	-	(340,842)	-	(340,842)	
Total governmental activities	24,948,377	2,936,681	4,012,786	-	(17,998,910)	-	(17,998,910)	
Business-type activities:								
Water	2,996,926	2,534,194	-	500,000	-	37,268	37,268	
Total primary government	\$ 27,945,303	\$ 5,470,875	\$ 4,012,786	\$ 500,000	(17,998,910)	37,268	(17,961,642)	
Component Unit:								
Pamlico County ABC Board	\$ 1,558,197	\$ 1,565,109	\$ -	\$ -				\$ 6,912
General revenues:								
Taxes:								
Property taxes, levied for general purposes					11,540,818	-	11,540,818	-
Local option sales tax					2,869,471	-	2,869,471	-
Other taxes					527,709	-	527,709	-
Investment earnings					202,531	70,320	272,851	245
Miscellaneous					94,605	-	94,605	2,843
Total general revenues					15,235,134	70,320	15,305,454	3,088
Transfers					117,000	(117,000)	-	-
Change in net position					(2,646,776)	(9,412)	(2,656,188)	10,000
Net position - beginning					12,307,893	13,067,819	25,375,712	548,915
Net position - ending					\$ 9,661,117	\$ 13,058,407	\$ 22,719,524	\$ 558,915

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

Pamlico County
Balance Sheet – Governmental Funds
June 30, 2019
Exhibit 3

	Major Fund			Other Non- major Governmental Funds	Total Governmental Funds
	General	Hazard Mitigation Grant Fund			
ASSETS					
Cash and cash equivalents	\$ 984,607	\$ -	\$ 386,225	\$ 1,370,832	
Investments	7,327,269	-	-	7,327,269	
Taxes receivable, net	978,124	-	81,077	1,059,201	
Accounts receivable, net	1,358,327	259,881	291,283	1,909,491	
Prepaid items	160	-	2,720	2,880	
Restricted cash and cash equivalents	-	-	109,961	109,961	
Total assets	\$ 10,648,487	\$ 259,881	\$ 871,266	\$ 11,779,634	
LIABILITIES					
Accounts payable and accrued liabilities	\$ 673,736	\$ -	\$ 34,221	\$ 707,957	
Cash overdraft	-	245,385	150,903	396,288	
Total liabilities	673,736	245,385	185,124	1,104,245	
DEFERRED INFLOWS OF RESOURCES					
Property tax receivable	978,124	-	81,077	1,059,201	
Prepaid taxes	52,058	-	-	52,058	
Total deferred inflows of resources	1,030,182	-	81,077	1,111,259	
FUND BALANCES					
Non-spendable	160	-	2,720	2,880	
Restricted					
Stabilization of State Statute	1,358,327	259,881	291,283	1,909,491	
Public safety	-	-	218,810	218,810	
Economic development	-	-	154,615	154,615	
Register of Deeds	-	-	4,014	4,014	
Committed					
Tax Revaluation	-	-	84,555	84,555	
Assigned					
Subsequent year's expenditures	1,372,260	-	-	1,372,260	
Unassigned	6,213,822	(245,385)	(150,932)	5,817,505	
Total fund balances	8,944,569	14,496	605,065	9,564,130	
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,648,487	\$ 259,881	\$ 871,266	\$ 11,779,634	

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

Pamlico County
Reconciliation of the Governmental Funds
to the Statement of Net Position
June 30, 2019
Exhibit 3

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$	9,564,130
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	18,243,316	
Accumulated depreciation	<u>(6,978,820)</u>	11,264,496
Net pension asset		22,368
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		469,165
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		36,570
Deferred inflows of resources for taxes receivable in fund statements		1,059,201
Benefit payments and pension administration costs for LEOSSA and deferred outflows of resources on the Statement of Net Position		10,902
Net pension liability		(2,029,579)
Total pension liability		(377,749)
Total OPEB liability		(1,077,804)
Pension related deferrals		1,212,211
OPEB related deferrals		(53,121)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported in the funds.		<u>(10,439,673)</u>
Net position of governmental funds	\$	<u>9,661,117</u>

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

Pamlico County
Statement of Revenues, Expenditures, and Changes
in Fund Balance – Governmental Funds
For the Fiscal Year Ended June 30, 2019
Exhibit 4

	Major Fund		Other Non- major Governmental Funds	Total Governmental Funds
	General	Hazard Mitigation Grant Fund		
REVENUES				
Ad valorem taxes	\$10,801,783	\$ -	\$ 760,673	\$ 11,562,456
Local option sales tax	2,869,471	-	-	2,869,471
Other taxes and licenses	294,272	-	146,192	440,464
Unrestricted intergovernmental	1,619,271	-	-	1,619,271
Restricted intergovernmental	4,133,066	259,881	608,118	5,001,065
Permits and fees	238,290	-	-	238,290
Sales and services	177,568	-	518	178,086
Investment earnings	195,268	-	7,263	202,531
Miscellaneous	93,774	-	831	94,605
Total revenues	20,422,763	259,881	1,523,595	22,206,239
EXPENDITURES				
Current:				
General government	2,820,398	-	216,008	3,036,406
Public safety	8,529,789	-	970,267	9,500,056
Environmental protection	534,865	-	-	534,865
Economic and physical development	863,640	282,381	563,205	1,709,226
Human services	4,177,245	-	-	4,177,245
Cultural and recreation	820,647	-	-	820,647
Education	4,654,710	-	-	4,654,710
Debt service:				
Interest	1,193,790	-	-	1,193,790
Principal	617,146	-	-	617,146
Total expenditures	24,212,230	282,381	1,749,480	26,244,091
Excess (deficiency) of revenues over expenditures	(3,789,467)	(22,500)	(225,885)	(4,037,852)
OTHER FINANCING SOURCES (USES)				
Installment purchase obligation issued	2,544,701	-	-	2,544,701
Transfer to other funds	(176,319)	-	-	(176,319)
Transfer from other funds	117,000	24,000	152,319	293,319
Total other financing sources (uses)	2,485,382	24,000	152,319	2,661,701
Net change in fund balance	(1,304,085)	1,500	(73,566)	(1,376,151)
Fund balances - beginning	10,248,654	12,996	678,631	10,940,281
Fund balances - ending	\$ 8,944,569	\$ 14,496	\$ 605,065	\$ 9,564,130

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

Pamlico County
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance – Governmental Funds
For the Fiscal Year Ended June 30, 2019
Exhibit 5

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

Net change in fund balances - governmental funds \$ (1,376,151)

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 capital outlay exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	745,133	
Depreciation expense for governmental assets	<u>(676,504)</u>	68,629

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 469,165

Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position 36,570

Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position 10,902

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (21,638)

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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	(2,544,701)	
Principal payments on long-term debt	1,490,861	
Decrease in accrued interest payable	<u>5,809</u>	(1,048,031)

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. (786,222)

Total changes in net position of governmental activities \$ (2,646,776)

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

Pamlico County
Statement of Revenues, Expenditures, and Changes in Fund
Balance – General Fund – Budget and Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 6

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
REVENUES				
Ad valorem taxes	\$ 10,580,000	\$ 10,787,000	\$ 10,801,783	\$ 14,783
Local option sales tax	2,592,402	2,759,402	2,869,471	110,069
Other taxes and licenses	88,800	307,800	294,272	(13,528)
Unrestricted intergovernmental	1,408,000	1,591,869	1,619,271	27,402
Restricted intergovernmental	2,766,338	3,747,664	3,285,927	(461,737)
Permits and fees	268,000	268,000	238,290	(29,710)
Sales and services	117,221	137,611	177,568	39,957
Investment earnings	40,000	181,000	195,268	14,268
Miscellaneous	-	99,365	93,774	(5,591)
Total revenues	17,860,761	19,879,711	19,575,624	(304,087)
EXPENDITURES				
Current:				
General government	2,572,722	3,182,009	2,820,398	361,611
Public safety	4,957,839	5,379,634	5,003,002	376,632
Environmental protection	400,086	765,248	534,865	230,383
Economic and physical development	578,032	1,014,489	863,640	150,849
Human services	4,545,225	5,110,364	4,177,245	933,119
Cultural and recreation	588,668	880,408	820,647	59,761
Education	4,654,710	4,669,710	4,654,710	15,000
Debt service				
Principal	617,144	617,144	617,146	(2)
Interest	365,588	371,590	346,651	24,939
Total expenditures	19,280,014	21,990,596	19,838,304	2,152,292
Revenues over (under) expenditures	(1,419,253)	(2,110,885)	(262,680)	1,848,205
OTHER FINANCING SOURCES (USES)				
Installment purchase obligation issued	-	544,700	544,701	1
Transfer to other funds	-	(2,049,891)	(1,809,381)	240,510
Transfer from other funds	117,000	117,000	117,000	-
Total other financing sources (uses)	117,000	(1,388,191)	(1,147,680)	240,511
Fund balance appropriated	1,302,253	3,499,076	-	(3,499,076)
Net change in fund balance	\$ -	\$ -	(1,410,360)	\$ (1,410,360)
Fund balances - beginning			10,248,654	
Fund balance - ending			<u>\$ 8,838,294</u>	

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

Pamlico County
Statement of Revenues, Expenditures, and Changes in Fund
Balance – General Fund – Budget and Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 6

Amounts reported for General Fund are different because the legally budgeted FEMA Fund are consolidated into the General Fund for reporting purposes:

Ending Fund Balance		\$ 8,838,294
FEMA Fund		
Restricted intergovernmental revenues	847,139	
Expenditures	(4,373,926)	
Transfer in from General Fund	1,633,062	
Installment purchase obligation issued	2,000,000	
Fund balance, beginning	-	
	-	106,275
Fund balances - ending (Exhibit 4)		\$ 8,944,569

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

Pamlico County
**Statement of Revenues, Expenditures, and Changes in Fund
Balance – Hazard Mitigation Fund – Budget and Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 7**

Hazard Mitigation Grant Fund				
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Restricted intergovernmental	\$ 12,972,070	\$ 12,972,070	\$ 259,881	\$ (12,712,189)
EXPENDITURES				
Current:				
Economic and physical development	12,972,070	13,167,254	282,381	12,884,873
Revenues over expenditures	-	(195,184)	(22,500)	172,684
OTHER FINANCING SOURCES				
Transfer from General Fund	-	195,184	24,000	(171,184)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	1,500	\$ 1,500
Fund balances - beginning			12,996	
Fund balance - ending			\$ 14,496	

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

Pamlico County
Statement of Net Position – Proprietary Funds
June 30, 2019
Exhibit 8

	Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 741,730
Investments	2,612,962
Accounts receivable, net	363,648
Inventories	20,327
Restricted cash and cash equivalents	59,525
Total current assets	3,798,192
Noncurrent assets:	
Capital assets:	
Land and construction in progress	1,951,429
Capital assets, net of depreciation	10,947,752
Total capital assets	12,899,181
Total assets	16,697,373
DEFERRED OUTFLOWS OF RESOURCES	107,852
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	375,336
Compensated absences	12,000
Current portion of long-term debt	346,942
Customer deposits payable from restricted assets	59,525
Total current liabilities	793,803
Noncurrent liabilities:	
Compensated absences	15,279
Installment purchases payable	2,725,871
Net pension liability	131,387
Total OPEB liability	74,558
Total noncurrent liabilities	2,947,095
Total liabilities	3,740,898
DEFERRED INFLOWS OF RESOURCES	5,920
NET POSITION	
Net investment in capital assets	9,826,368
Unrestricted	3,232,039
Total net position	\$ 13,058,407

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

Pamlico County
**Statement of Revenues, Expenses and Changes in Fund Net Position –
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2019
 Exhibit 9**

	Water Fund
OPERATING REVENUES	
Charges for services	\$ 2,454,254
Water taps	67,590
Other operating revenues	12,350
Total operating revenues	
	2,534,194
OPERATING EXPENSES	
Water operations	1,700,518
Depreciation	685,562
Total operating expenses	
	2,386,080
Operating income	
	148,114
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	70,320
Impact fee settlement	(600,000)
Capital contributions	500,000
Interest on long-term debt	(10,846)
Total nonoperating revenues	
	(40,526)
Income (loss) before contributions and transfers	
	107,588
Transfer to other funds	
	(117,000)
Change in net position	
	(9,412)
Total net position, beginning	
	13,067,819
Total net position, ending	
	\$ 13,058,407

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

Pamlico County
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2019
Exhibit 10

	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,523,385
Cash paid for goods and services	(1,160,975)
Cash paid to or on behalf of employees	(555,843)
Customer deposits received	7,110
Customer deposits returned	(6,285)
Net cash provided by operating activities	807,392
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES	
Repayment of impact fees	(600,000)
Transfer to other funds	(117,000)
Net cash used by non capital financing activities	(717,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(1,372,718)
Capital contributions	500,000
Installment purchase obligation issued	197,619
Principal paid on long-term debt	(401,706)
Interest paid on long-term debt	(10,846)
Net cash used by capital and financing activities	(1,087,651)
CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of investments	529,680
Investment earnings	70,320
Net cash provided by investing activities	600,000
Net decrease in cash and cash equivalents	(397,259)
Cash, beginning of year	1,198,514
Cash, ending of year	\$ 801,255

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

Pamlico County
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2019
Exhibit 10

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 148,114
Adjustments to reconcile income to cash provided by operations:	
Depreciation	685,562
(Increase) decrease in accounts receivable	(10,809)
(Increase) decrease in inventory	11,841
(Increase) decrease in deferred outflows of resources for pensions	(21,926)
(Increase) decrease in deferred outflows of resources for OPEB	(994)
Increase (decrease) in accounts payable	(28,483)
Increase (decrease) in accrued vacation	(8)
Increase (decrease) in customer deposits	825
Increase (decrease) in net pension liability	32,069
Increase (decrease) in total OPEB liability	(7,646)
Increase (decrease) in deferred inflows of resources for OPEB	982
Increase (decrease) in deferred inflows of resources for pensions	(2,135)
Total adjustments	659,278
Net cash provided by operating activities	\$ 807,392
Reconciliation of cash - ending:	
Cash	\$ 741,730
Restricted cash	59,525
Total cash	\$ 801,255

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

Pamlico County
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2019
Exhibit 11

	Agency Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 144,132
Accounts receivable (net)	195,219
Total assets	339,351
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	339,351
Total liabilities	\$ 339,351

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

I. Summary of Significant Accounting Policies

The accounting policies of Pamlico 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 seven-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 unit, a legally separate entity for which the County is financially accountable. The discretely presented component unit presented below is reported in a separate column in the County's financial statements in order to emphasize that it is legally separate from the County.

Pamlico County ABC Board

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surplus to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Pamlico County ABC Board, P.O. Box 86, Bayboro, NC 28515.

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.

Pamlico County Notes to the Financial Statements

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, 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 is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The FEMA Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 is it consolidated in the General Fund. The General Fund is a major fund for fund financial reporting purposes.

Hazard Mitigation Grant Fund. This fund is used to account for activity related to the Hazard Mitigation grant.

The County reports the following major enterprise funds:

Water Fund. This fund is used to account for the operations of the water fund. The capital reserve fund, Minnesott Pressure Improvement Project, Kershaw Water Treatment Project, Reelsboro Elevated Tank Project, and Kershaw/Grantsboro Water Project are included in the Water Fund's financial statements.

The County reports the following fund types:

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 the following agency funds: the Social Services Fund, which accounts for monies deposited with the Social Services Department for the benefit of certain individuals; and the Bay River Metropolitan Sewer District, which accounts for funds held for sewer services billed and collected by the County on behalf of the sewer district.

Pamlico County Notes to the Financial Statements

Nonmajor Funds. The County maintains fourteen legally budgeted nonmajor governmental funds. The Fire Districts Fund, the Reappraisal Fund, the Emergency Telephone System Fund, the CDBG Scattered Sites Fund; the Register of Deeds Enhancement and Preservation Fund; the 4-H Fund; the Electronic Management Fund; the FMA-SRL Grant Fund; the FMA-RL Grant Fund; the NCHFA Grant Fund; the FY16-008 FMA Grant; the Flood Mitigation SRL Fund; and the Golden Leaf Fund are reported as nonmajor special revenue funds. The PCC Roof project fund is reported as nonmajor capital project fund.

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County 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 non-operating revenues and expenses.

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

Pamlico County Notes to the Financial Statements

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 beer and wine tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Sales taxes are considered a shared revenue for Pamlico County because the tax is levied by Pamlico County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, special revenue funds, and Water Fund. All annual appropriations lapse at the fiscal year-end. Project ordinance are adopted for multi-year special revenue funds, capital project funds, and the water capital projects. All budgets are prepared using the modified accrual basis of accounting.

Pamlico County Notes to the Financial Statements

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for the General Fund, special revenue funds, and the Water Fund, and the object level for the multi-year special revenue funds and capital project funds. The County Manager is authorized to transfer any appropriations within a fund. The governing board must approve all amendments that increase total revenues or expenditures of a fund. 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. During the year, several amendments to the original budget were necessary.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. New Accounting Standards Adopted

In fiscal year 2019, the County adopted the following financial accounting standards issued by the GASB:

GASB Statement No. 83, Certain Asset Retirement Obligations (“GASB 83”), requires that a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. GASB 83 will be effective for the fiscal years beginning after June 15, 2018. Currently, this new standard has minimal effect on the County’s financial statements.

GASB Statement No. 85, Omnibus 2017 (“GASB 85”), seeks to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB 85 will be effective for the fiscal years beginning after June 15, 2017. This new standard has minimal effect on the County’s financial statements.

GASB Statement No. 86, Certain Debt Extinguishment Issues (“GASB 86”), seeks to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB 86 will be effective for the fiscal years beginning after June 15, 2017. Currently, this new standard has minimal effect on the County’s financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt (“GASB 88”), seeks to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB 88 will be effective for the fiscal years beginning after June 15, 2018. Currently, this new standard has minimal effect on the County’s financial statements.

F. Accounting Standards Issued But Not Yet Effective

GASB Statement No. 84, Fiduciary Activities (“GASB 84”), seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2018. The County is reviewing this standard to determine the effect on the County’s financial statements.

GASB Statement No. 87, Leases (“GASB 87”), seeks to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. GASB 87 will be effective for the fiscal years beginning after December 15, 2019. The County is reviewing this standard to determine the effect on the County’s financial statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period (“GASB 89”), seeks to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*

Pamlico County Notes to the Financial Statements

Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County is reviewing this standard to determine the effect on the County's financial statements.

G. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County and Pamlico 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 ABC Board's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost.

- The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining a 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 considered cash and cash equivalents. The ABC Board considers demand deposits and investments with a maturity date of 90 days or less at a time of purchase to be cash and cash equivalents.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of June 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County's access to 100 percent of their account value in either external investment pool.

3. Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the services 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.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016.

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. Inventory and Prepaid Items

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

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets are defined by the County as assets with an initial, individual cost greater than \$5,000 and an estimated useful life greater than two years. 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 Pamlico County Board of Education and Pamlico Community College properties, which 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, the Board of Education, and Community College give the Board of Education and Community College 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 and Community College once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as fixed assets in the financial statements of the Pamlico County Board of Education and Pamlico Community College.

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements	25 years
Furniture and equipment	5-10 years
Vehicles	5-10 years
Computer equipment	5 years

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	5-10 years
Buildings	50 years

8. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net 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 OPEB and pension plans in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has two items that meet the criterion for this category – prepaid taxes, and other OPEB or 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 Statement of Net Position.

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

10. Compensated Absences

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

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

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, 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.

Prepays – portion of fund balance that is not an available resource because it represents prepaid amounts, which are not spendable resources.

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

Restricted for Stabilization of State Statute – 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 that 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 Public Safety – portion of fund balance that is restricted by revenue source for public safety related activities, such as police, fire, and emergency telephone system.

Restricted for Economic Development – portion of fund balance that is restricted by revenue source for economic development.

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue sources to pay for the computer equipment and imaging technology for the Register of Deeds' office.

Pamlico County Notes to the Financial Statements

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

Committed for Tax Revaluation – portion of fund balance committed by the Board of Commissioners that can only be used for tax revaluation.

Assigned Fund Balance – This classification is the portion of fund balance that the County’s 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 – This classification is the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Pamlico County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer 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 County has not adopted a formal fund balance policy.

12. Defined Benefit Pension 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), and the Law Enforcement Officers’ Special Separation Allowance (LEOSSA) (collectively, the “state-administered defined benefit pension plans”). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans’ fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County’s employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments for all plans are reported at fair value.

13. Other Postemployment Benefits

The net position of the County's Healthcare Benefits Plan (the HCB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities, and additions to/ deductions from the OPEB Plan's net position. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Pamlico County
Notes to the Financial Statements

H. 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 total fund balance - total governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$96,987 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	\$ 18,243,316
Less accumulated depreciation	(6,978,820)
Net capital assets	11,264,496
Net pension asset	22,368
Contributions to pension plan in the current fiscal year	469,165
Benefit payments and pension administration costs for LEOSSA	10,902
Contributions to OPEB plan in the current fiscal year	36,570
Deferred inflows of resources for taxes	1,059,201
Pension related deferrals	1,212,211
OPEB related deferrals	(53,121)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Installment financing	(9,983,317)
Compensated absences	(368,330)
Total OPEB liability	(1,077,804)
Net pension liability	(2,029,579)
Total pension liability	(377,749)
Accrued interest payable	(88,026)
Total adjustment	\$ 96,987

Pamlico County
Notes to the Financial Statements

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of (\$1,270,625) as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 745,133
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	(676,504)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the Statement of Activities - it affects only the government-wide Statement of Net Position	(2,544,701)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Position in the government-wide statements.	1,490,861
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	469,165
Benefit payments and administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	10,902
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	36,570
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	5,809
Compensated absences	(16,279)
OPEB expense	(126,104)
Pension expense	(643,839)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded in the fund statements.	
Decrease in deferred inflows of resources	(21,638)
Total adjustment	\$ (1,270,625)

II. Stewardship, Compliance, and Accountability

A. Deficit in Fund Balance of Individual Fund not Appropriated in Subsequent Year's Budget Ordinance

The County's PCC Roof Replacement Fund had a deficit fund balance of \$1,294 as of June 30, 2019. The deficit fund balance will be eliminated with a transfer from the General Fund to properly close out the capital project fund in fiscal year 2020.

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 \$2,028,705. The bank balances with financial institutions were \$2,650,807. Of these bank balances, \$250,000 was covered by federal depository insurance and \$2,400,807 was covered by collateral held under the Pooling Method.

Pamlico County Notes to the Financial Statements

At June 30, 2019, Pamlico County had \$1,187 cash on hand.

At June 30, 2019, the carrying amount of deposits for Pamlico County ABC Board was \$306,299 and the bank balance was \$305,180. Of these bank balances, \$250,000 was covered by federal depository insurance and \$55,180 was covered by collateral held under the Pooling Method.

At June 30, 2019, the ABC Board had \$2,750 cash on hand.

2. Investments

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

Investment Type	Valuation Measurement Method	Book Value at 6/30/2019	Maturity	Rating
North Carolina Capital Management Trust -				
Government Portfolio	Fair Value - Level 1	\$ 8,226,090	N/A	AAAm
North Carolina Capital Management Trust -				
Term Portfolio *	Fair Value - Level 1	1,714,141	.11 years	Unrated
Total		\$ 9,940,231		

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

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally

Pamlico County
Notes to the Financial Statements

recognized statistical rating organizations (NRSRO's); however, the County had no formal policy on managing credit risk. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

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	\$ 487,791	\$ 159,820	\$ 647,611
2017	492,639	117,003	609,642
2018	492,452	72,637	565,089
2019	494,125	28,413	522,538
Total	\$ 1,967,007	\$ 377,873	\$ 2,344,880

4. Receivables

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

	Taxes	Accounts	Total
Governmental activities:			
General	\$ 1,328,124	\$ 1,358,327	\$ 2,686,451
Other governmental	81,077	551,164	632,241
Total receivables	1,409,201	1,909,491	3,318,692
Allowance for doubtful accounts	(350,000)	-	(350,000)
Total governmental activities	\$ 1,059,201	\$ 1,909,491	\$ 2,968,692
Business-type activities:			
Water	\$ -	\$ 394,540	\$ 394,540
Allowance for doubtful accounts	-	(30,892)	(30,892)
Total business-type activities	\$ -	\$ 363,648	\$ 363,648

Pamlico County
Notes to the Financial Statements

Due from other governments that is owed to the County consist of the following, which are presented on the Statement of Net Position within accounts receivable:

Local options sales tax	\$	830,690
White goods disposal tax		1,395
Scrap tire tax		4,824
Total		\$ 836,909

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	\$ 334,634	\$ -	\$ -	\$ 334,634
Construction in progress	319,539	-	319,539	-
Total capital assets not being depreciated				
	654,173	-	319,539	334,634
Capital assets being depreciated:				
Buildings and improvements	12,532,260	717,537	-	13,249,797
Equipment and vehicles	4,311,750	347,135	-	4,658,885
Total capital assets being depreciated				
	16,844,010	1,064,672	-	17,908,682
Less accumulated depreciation for:				
Buildings and improvements	3,520,266	257,767	-	3,778,033
Equipment and vehicles	2,782,050	418,737	-	3,200,787
Total accumulated depreciation				
	6,302,316	676,504	-	6,978,820
Total capital assets being depreciated, net				
	10,541,694			10,929,862
Governmental activities capital assets, net				
	<u>\$ 11,195,867</u>			<u>\$ 11,264,496</u>

Pamlico County
Notes to the Financial Statements

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

General government	\$ 205,315
Public safety	364,312
Environmental protection	20,160
Human services	71,385
Cultural and recreation	15,332
Total depreciation expense	\$ 676,504

A summary of changes in the County's capital assets used in enterprise fund activities follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 70,286	\$ -	\$ -	\$ 70,286
Construction in progress	261,788	1,619,355	-	1,881,143
Total capital assets not being depreciated	332,074	1,619,355	-	1,951,429
Capital assets being depreciated:				
Buildings and improvements	7,155,435	7,150	-	7,162,585
Plant	10,508,279	-	-	10,508,279
Equipment and vehicles	2,375,081	60,624	-	2,435,705
Total capital assets being depreciated	20,038,795	67,774	-	20,106,569
Less accumulated depreciation for:				
Buildings and improvements	3,422,041	287,739	-	3,709,780
Plant	3,709,124	272,232	-	3,981,356
Equipment and vehicles	1,342,090	125,591	-	1,467,681
Total accumulated depreciation	8,473,255	685,562	-	9,158,817
Total capital assets being depreciated, net	11,565,540			10,947,752
Business-type activities capital assets, net	\$ 11,897,614			\$ 12,899,181

Pamlico County
Notes to the Financial Statements

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
Capital assets not being depreciated:				
Land	\$ 36,749	\$ -	\$ -	\$ 36,749
Capital assets being depreciated:				
Furniture and equipment	87,957	15,954	16,320	87,591
Buildings	306,980	-	-	306,980
Total capital assets being depreciated	394,937	15,954	16,320	394,571
Less accumulated depreciation for:				
Furniture and equipment	73,162	2,493	16,320	59,335
Buildings	286,518	1,430	-	287,948
Total accumulated depreciation	359,680	3,923	16,320	347,283
Total capital assets being depreciated, net	<u>35,257</u>			<u>47,288</u>
Governmental activities capital assets, net	<u>\$ 72,006</u>			<u>\$ 84,037</u>

B. Liabilities

1. Payables

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

Type of Payable	Governmental Activities	Business-type Activities	Total
Trade payables	\$ 600,380	\$ 368,707	\$ 969,087
Salaries payable	107,577	6,629	114,206
Total	<u>\$ 707,957</u>	<u>\$ 375,336</u>	<u>\$ 1,083,293</u>

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the

Pamlico County Notes to the Financial Statements

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 7.84% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees

Pamlico County
Notes to the Financial Statements

during the year. Contributions to the pension plan from the County were \$496,684 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 \$2,160,966 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, 2019, the County’s proportion was 0.09109%, which was an increase of 0.00127% from its proportion measured as of June 30, 2018 (measured June 30, 2017).

For the year ended June 30, 2019, the County recognized pension expense of \$627,509. 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	\$ 333,386	\$ 11,187
Changes of assumptions	573,437	-
Net difference between projected and actual earnings on pension plan investments	296,636	-
Changes in proportion and differences between County contributions and proportionate share of contributions	68,835	-
County contributions subsequent to the measurement date	496,684	-
Total	\$ 1,768,978	\$ 11,187

\$496,684 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net

Pamlico County
Notes to the Financial Statements

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	\$	604,022
2021		396,695
2022		85,162
2023		175,228
2024		-
Thereafter		-

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 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables 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 as of 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, 2019 are summarized in the following table:

Pamlico County Notes to the Financial Statements

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	29.00%	1.4%
Global Equity	42.00%	5.3%
Real Estate	8.00%	4.3%
Alternatives	8.00%	8.9%
Credit	7.00%	6.0%
Inflation Protection	6.00%	4.0%
Total	100.00%	

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 liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 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)	\$ 5,190,828	\$ 2,160,966	\$ (370,834)

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.*

Pamlico 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 December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Active plan members	21
Total	23

2. *Summary of Significant Accounting Policies.*

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

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

3. *Actuarial Assumptions*

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

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Pamlico County
Notes to the Financial Statements

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

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

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

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

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 \$10,902 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 \$377,749. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$44,216.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,406	\$ -
Change of assumptions	19,342	21,402
County benefit payments and plan administrative expenses made subsequent to the measurement date	10,902	-
Total	\$ 54,650	\$ 21,402

Pamlico County
Notes to the Financial Statements

\$10,902 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 to 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	\$ 4,976
2021	4,976
2022	4,976
2023	5,724
2024	2,721
Thereafter	(1,027)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.64 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	\$ 421,067	\$ 377,749	\$ 338,783

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

	2019
Beginning Balance	\$ 361,492
Service cost	27,999
Interest on the total pension liability	11,241
Change of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	8,771
Change of assumptions or other inputs	(20,232)
Benefit payments	(11,522)
Other changes	-
Ending balance of the total pension liability	<u>\$ 377,749</u>

Pamlico County Notes to the Financial Statements

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2018 to 3.64 percent at June 30, 2019.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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 as of December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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 \$56,428 which consisted of \$49,458 from the County and \$6,970 from the law enforcement officers.

The County has adopted the Supplemental Retirement Plan of North Carolina 401(k) for its non-law enforcement employees. The County does not contribute to the plan; however, employees may make voluntary contributions to the plan. The total contributions by the employees for the year ended June 30, 2019 was \$64,113.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Pamlico County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, 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 \$1,416 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 \$22,368 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 0.135%, which was a decrease of 0.006% from its proportion measured as of June 30, 2017.

Pamlico County
Notes to the Financial Statements

For the year ended June 30, 2019, the County recognized pension expense of \$4,762. 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	\$ 197	\$ 1,021
Changes of assumptions	1,052	-
Net difference between projected and actual earnings on pension plan investments	3,565	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,094	454
County contributions subsequent to the measurement date	1,416	-
Total	\$ 8,324	\$ 1,475

\$1,416 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	\$ 3,119
2021	711
2022	1,051
2023	552
2024	
Thereafter	-

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.

Pamlico County Notes to the Financial Statements

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 as of 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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Pamlico County
Notes to the Financial Statements

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (17,636)	\$ (22,368)	\$ (26,359)

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate share of Net Pension Liability (Asset)	\$2,160,966	\$ (22,368)	\$ -	\$2,138,598
Proportion of the Net Pension Liability (Asset)	0.09109%	0.13505%	N/A	
Total Pension Liability	-	-	377,749	377,749
Pension Expense	627,509	4,762	44,216	676,487

Pamlico County
Notes to the Financial Statements

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

	LGERS	ROD	LEOSSA	Total
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 333,386	\$ 197	\$ 24,406	\$ 357,989
Changes of assumptions	573,437	1,052	19,342	593,831
Net difference between projected and actual earnings on pension plan investments	296,636	3,565	-	300,201
Changes in proportion and differences between County contributions and proportionate share of contributions	68,835	2,094	-	70,929
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	496,684	1,416	10,902	509,002
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 11,187	\$ 1,021	\$ -	\$ 12,208
Changes of assumptions	-	-	21,402	21,402
Changes in proportion and differences between County contributions and proportionate share of contributions	-	454	-	454

f. Other Postemployment Benefit

Healthcare Benefits

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The County Board 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 County provides healthcare benefits to retirees of the County under the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officers' Local Governmental Employees' Retirement System who have their last five years of continuous service with the County at the time of retirement. The County has elected to contribute 2% of the cost of retiree health insurance to the plan, for each year of service. The benefits are available until the retiree reaches their 65th birthday, or obtains Medicare, whichever comes first.

Pamlico County Notes to the Financial Statements

Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age 65, or until the retiree obtains Medicare, whichever comes first. The County purchases healthcare coverage through private insurers. A separate report was not issued for the plan.

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

	Employees
Inactive Members or Beneficiaries Currently Receiving Benefits	3
Active plan members	142
Total	145

Total OPEB Liability

The County's total OPEB liability of \$1,152,362 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

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

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.56 percent
Measurement Date	3.89 percent
Health Care Cost Trend	
Pre-Medicare	7.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2023

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

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

Pamlico County
Notes to the Financial Statements

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

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

Changes in the Total OPEB Liability

Beginning balance	\$ 1,082,336
Changes for the year:	
Service cost	92,493
Interest on TOL and Cash Flows	37,797
Changes of benefit terms	-
Difference between expected and actual experience	20,524
Changes of assumptions or other inputs	(39,157)
Benefit payments and implicit subsidy credit	(41,631)
Total OPEB liability, ending	<u>\$ 1,152,362</u>

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

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 1,275,528	\$ 1,152,362	\$ 1,042,204

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	\$ 998,651	\$ 1,152,362	\$ 1,337,501

Pamlico County
Notes to the Financial Statements

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 \$120,878. 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	\$ 24,127	\$ -
Changes of assumptions or other inputs	-	80,926
Benefit payments and administrative costs made subsequent to the measurement date	36,570	-
Total	\$ 60,697	\$ 80,926

\$36,570 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	\$ (9,412)
2021	(9,412)
2023	(9,412)
2024	(9,412)
2025	(9,412)
Thereafter	(9,739)

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.



Pamlico County Notes to the Financial Statements

Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Pamlico County
Notes to the Financial Statements

3. Deferred Outflows and Inflows of Resources

Deferred 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	\$ 333,386	\$ 11,187
ROD	197	1,021
LEOSSA	24,406	-
Pensions - difference between projected and actual investment earnings		
LGERS	296,636	-
ROD	3,565	-
Pensions - change in assumptions		
LGERS	573,437	-
ROD	1,052	-
LEOSSA	19,342	21,402
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	68,835	-
ROD	2,094	454
Contributions to pension plan in current fiscal year		
LGERS	496,684	-
ROD	1,416	-
OPEB - difference between expected and actual experience	24,127	-
OPEB - Change in assumptions	-	80,926
Benefit payments for the OPEB plan paid subsequent to the measurement date	36,570	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	10,902	-
Prepaid taxes not yet earned (General)	-	52,058
Total	\$ 1,892,649	\$ 167,048

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 of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence, auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers compensation coverage up to the statutory limits. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County.

The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000, up to \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for worker's compensation.

Through the captive, the Liability and Property Pool is reinsured for \$2,000,000 of annual aggregate losses in excess of \$250,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$498 million purchased through a group of commercial carriers through the multi-state public entity captive.

The Company provides employee health benefits through a plan provided by First Carolina Care Insurance Company. The County is fully insured and responsible only for the premium paid. Employees are covered and have a \$1,000 deductible refunded up to \$500. There is no yearly or lifetime maximum.

The County carries flood insurance in the amounts of \$50,000 for contents and \$500,000 for property through a private insurer.

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 commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The Finance Officer and Tax Collector are each individually bonded for \$50,000 each. 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.

5. Contingent Liabilities

At June 30, 2019, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters cannot be determined at this time due to uncertainty in the application of relevant laws to the pending litigation.

6. Long-Term Obligations

a. Installment Purchase Obligation

Serviced by the General Fund:

\$3,297,262 note for Pamlico County High School Cafeteria, issued April 2012, interest at 2.59%, due in semi-annual payments ranging from \$144,970 to \$177,846 plus interest, final payment September 2022; secured by building \$ 1,043,552

\$2,207,897 USDA loan to purchase building, issued July 2009, interest at 4.125%, due in annual installments of \$118,731 including interest, final payment July 2045; secured by building 1,874,069

\$5,938,685 USDA Loan for Law Enforcement Center, issued June 2009, interest ranging from 4.25% to 4.375%, payable in annual installments of \$322,450, including interest, final payment June 2046; secured by building 5,061,357

\$500,000 note for Pamlico Community College roof replacement, issued May 2015, interest at 2.19%, payable in semi-annual principal payments of \$25,000 plus interest, final payment May 2025; secured by building 245,424

\$300,000 note for the purchase of equipment and vehicles; issued August 2016, interest at 1.47%, payable in semi-annual principal and interest payments of \$61,777, final payment August 2019; secured by equipment and vehicles 61,354

\$294,700 note for the purchase of equipment; issued April 2019, interest at 3.16%, payable in semi-annual principal and interest payments of \$35,936, final payment April 2024; secured by equipment 294,700

\$250,000 note for the purchase of law enforcement equipment; issued January 2019, interest at 3.55%, payable in annual principal and interest payments of \$55,449, final payment January 2024; secured by equipment 250,000

Pamlico County
Notes to the Financial Statements

\$2,000,000 note for the reimbursement of expenses eligible for reimbursement by FEMA, issued April 2019, interest at 0%, payments due upon reimbursement from FEMA and within 5 business days of receipt of reimbursement; loan matures 3 years after enactment

1,152,861

Total direct borrowings

\$ 9,983,317

Serviced by the Water Districts

\$1,513,819 State Revolving Loan, issued September 2007, interest at 2.305%, payable in annual installments of \$94,109, plus interest, final payment May 2023; secured by Southeast Water Tower

\$ 376,438

\$3,888,793 State Revolving Loan, issued March 2012, interest at 0%, payable in annual installments ranging from \$214,489 to \$192,212, final payment May 2032; secured by system assets

2,498,756

\$1,712,410 Reelsboro Elevated Water Tank loan, issued January 2019, interest at 0%, payable in annual installments of \$60,621 beginning May 2020, final payment May 2039; secured by the Reelsboro Elevated Water Tank. As of June 30, 2019, the County had drawn down \$197,619, remainder to be drawn in future years as construction progresses.

197,619

Total direct borrowings

\$ 3,072,813

Annual debt service payments to maturity for the County's notes payable are as follows:

Year Ending June	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,784,964	\$ 346,397	\$ 346,942	\$ 8,677
2021	611,426	327,855	346,942	6,508
2022	617,069	308,863	346,942	4,338
2023	477,566	289,598	302,079	2,169
2024	339,007	275,640	192,212	-
2025-2029	964,851	1,241,054	961,060	-
2030-2034	1,190,278	1,015,627	576,636	-
2035-2039	1,468,414	737,491	-	-
2040-2044	1,801,595	394,310	-	-
2045-2046	728,147	44,269	-	-
Total	\$ 9,983,317	\$ 4,981,104	\$ 3,072,813	\$ 21,692

Pamlico County
Notes to the Financial Statements

Installment purchase obligations from direct borrowings in the amount of \$13,056,130 include a provision that if the County is determined to be in default, the full amount of the obligations could become due immediately, at the discretion of the lender.

b. Long-Term Obligation Activity

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

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Installment notes - direct borrowings	\$ 8,902,901	\$ 2,544,701	\$ 1,464,285	\$ 9,983,317	\$ 1,784,964
Capital lease obligations	26,576	-	26,576	-	-
Compensated absences	352,051	164,314	148,035	368,330	150,000
Total OPEB liability	1,000,132	77,672	-	1,077,804	-
Net pension liability (LGERS)	1,272,883	756,696	-	2,029,579	-
Total pension liability (LEOSSA)	361,492	16,257	-	377,749	-
Governmental activity long-term liabilities	\$ 11,916,035	\$ 3,559,640	\$ 1,638,896	\$ 13,836,779	\$ 1,934,964
Business-type activities:					
Installment notes - direct borrowings	\$ 3,276,900	\$ 197,619	\$ 401,706	\$ 3,072,813	\$ 346,942
Compensated absences	27,287	8,119	8,127	27,279	12,000
Net pension liability (LGERS)	99,318	32,069	-	131,387	-
Total OPEB liability	82,204	-	7,646	74,558	-
Business-type long-term liabilities	\$ 3,485,709	\$ 237,807	\$ 417,479	\$ 3,306,037	\$ 358,942

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

C. Net Investment in Capital Assets

	Governmental Activities	Business-type Activities
Capital assets	\$ 11,264,496	\$ 12,899,181
Total long-term debt	9,983,317	3,072,813
Capital lease obligations	-	-
Pamlico County Board of Education debt:		
High school cafeteria	(1,043,552)	-
Long-term debt related to capital assets	8,939,765	3,072,813
Net investment in capital assets	\$ 2,324,731	\$ 9,826,368

Pamlico County
Notes to the Financial Statements

D. Fund Balance

Pamlico County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer 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 County has not adopted a formal fund balance policy.

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

Total fund balance - General Fund	\$	8,944,569
Less:		
Prepays		(160)
Stabilization by State Statute		(1,358,327)
Appropriated Fund Balance in 2019 budget		(1,372,260)
Remaining Fund Balance	\$	6,213,822

E. Interfund Balances and Activity

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

Transfer from the Water Fund to General Fund for administrative purposes	\$	117,000
Transfer from the General Fund to FY 16-008 FMA Grant Fund for local match		22,000
Transfer from the General Fund to the FEMA Fund for the reimbursement of FEMA expenses		1,633,062
Transfer from the General Fund to Golden Leaf Grant Fund for local match		87,552
Transfer from the General Fund to HMGP Grant Fund for local match		24,000
Transfer from the General Fund to Emergency Telephone Fund for unreimbursed expenses		42,767
Transfer from Water Fund to Kershaw/ Grantsboro Capital Fund for capital outlay		432,162
Total	\$	1,883,614

IV. Related Organizations

The County's governing board is responsible for appointing the members of various advisory and legislative boards throughout the County; however, the County's accountability for these organizations does not extend beyond making these appointments.

V. Joint Ventures

The County, in conjunction with Carteret County and Craven County, participates in the Coastal Regional Solid Waste Management Authority. The County appoints two members of the seven-member Board. The Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County paid \$23,279 to the Authority during the fiscal year ended June 30, 2019, which represents the Scrap Tire Disposal tax collected by the County.

The participating governments did not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 7400 Old Highway 70 West, P.O. Box 128, Cove City, North Carolina 28560.

The County participates in a joint venture to operate Trillium Health Resources with twenty three other counties. Each county appoints two members to the Regional Advisory Board and one county Commissioner from each advisory board is appointed to the governing board. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments have any equity interest in the Center; therefore, no equity interest has been reflected in the financial statements at June 30, 2019. Money received from the ABC Board designated for alcohol education is passed through to the Center. 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, in conjunction with the State of North Carolina and the Pamlico County Community College trustees, participates in a joint venture to operate Pamlico County Community College. The County appoints four members of the twelve member Board of Trustees of the Community College. The Community College is included as a component unit of the State of North Carolina. The County has an ongoing financial responsibility to providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County contributed \$610,000 to the Community College during the fiscal year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Highway 306 South, Grantsboro, NC 28529.

VI. Jointly Governed Organizations

Craven-Pamlico-Carteret Regional Library. The County, in conjunction with two other counties, governs the operations of the Craven-Pamlico-Carteret Regional Library. Each of the participating governments appoints three Board members to the nine member Board. For the year ended June 30, 2019, the County contributed \$393,038 to the operating budget. The library is dependent upon future funding of Pamlico County and the State of North Carolina's continued funding.

On October 23, 1995, the Bay River Metropolitan Sewer District, the Town of Oriental, and Pamlico County entered into an interlocal agreement which provides, among other things, that the District will lease (and ultimately own) and operate the Town of Oriental sewer system. The District will expand geographically to include the Town of Oriental, and the County will contribute certain loan and grant funds to a project for the construction of a regional sewer system in the County that the District will ultimately own and operate. This project was completed, and the assets were transferred to the sewer district during a prior fiscal year.

In conjunction with this agreement, the Town of Oriental transferred its sewer system to the County in exchange for the County assuming the Town's debt. The County subsequently leased the system to the District, whereby the system and related debt were transferred to the District at the end of the lease and, therefore, qualified as a direct financing lease for accounting purposes. In addition, the County had an ongoing project to construct a regional sewer system with private and government grant funds; whereby, upon completion, the assets were donated to the District, and the District assumed liability for payment of the revolving loan proceeds received from the State used to finance the project, in the amount of \$1,840,500. Both the agreement and the project were complete during a prior fiscal year, and the respective assets were transferred to the Bay River Metropolitan Sewer District. The related debt was paid off in the prior fiscal year.

VII. Benefit Payments Issued by the State

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

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Notes to the Financial Statements

	Federal	State
Medicaid	\$ 12,114,129	\$ 6,419,628
NC Health Choice	444,857	-
Food Stamp Program	2,645,360	-
Women, Infants, and Children	157,708	-
Temporary Assistance for Needy Families	30,613	-
Foster Care	71,236	25,458
Adoption Assistance	41,969	10,233
CWS Adoption Subsidy	-	52,830
SC/SA Domicillary Care Payment	-	82,793
SFHF Maximization	-	18,565
State Foster Home	-	12,837
Total	\$ 15,505,872	\$ 6,622,344

VIII. Component Unit Transactions

In the fiscal year 2019, the County and Pamlico County ABC Board, its component unit, reported the following transactions:

Purpose	Amount
Profit distribution	\$ 80,992
ABC law enforcement	2,672
Total	\$ 83,664

IX. 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.

Pamlico County
Schedule of the County's Proportionate Share of the
Net Pension Liability
Local Governmental Employee's Retirement System
Required Supplemental Information
Last Six Fiscal Years *

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.091%	0.090%	0.082%	0.077%	0.074%	0.075%
County's proportion of the net pension liability (asset) (\$)	\$ 2,160,966	\$ 1,372,201	\$ 1,732,036	\$ 343,776	\$ (437,945)	\$ 901,627
County's covered payroll	\$ 5,919,991	\$ 5,603,577	\$ 5,646,584	\$ 5,306,399	\$ 5,180,842	\$ 4,840,003
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.50%	24.49%	30.67%	6.48%	-8.45%	18.63%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

The schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Pamlico County
Schedule of the County Contributions
Local Governmental Employee's Retirement System
Required Supplemental Information
Last Six Fiscal Years *

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 496,684	\$ 444,756	\$ 407,987	\$ 328,151	\$ 326,080	\$ 311,843
Contributions in relation to the contractually required contribution	<u>496,684</u>	<u>444,756</u>	<u>407,987</u>	<u>328,151</u>	<u>326,080</u>	<u>311,843</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 6,296,176	\$ 5,919,991	\$ 5,603,577	\$ 5,646,584	\$ 5,306,399	\$ 5,180,842
Contributions as a percentage of covered payroll	7.89%	7.51%	7.28%	5.81%	6.15%	6.02%

The schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Pamlico County
Schedule of the County's Proportionate Share
of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Required Supplemental Information
Last Six Fiscal Years *

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.14%	0.14%	0.157%	0.143%	0.148%	0.136%
County's proportion of the net pension liability (asset) (\$)	\$ (22,368)	\$ (24,100)	\$ (29,285)	\$ (32,318)	\$ (33,516)	\$ (28,996)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

The schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Pamlico County
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Required Supplemental Information
Last Six Fiscal Years *

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,416	\$ 5,162	\$ 5,705	\$ 1,280	\$ 3,218	\$ 1,207
Contributions in relation to the contractually required contribution	<u>1,416</u>	<u>5,162</u>	<u>5,705</u>	<u>1,280</u>	<u>3,218</u>	<u>1,207</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Pamlico County
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplemental Information
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 361,492	\$ 285,431	\$ 276,577
Service cost	27,999	24,847	20,620
Interest on the total pension liability	11,241	10,790	9,634
Change of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	8,771	24,408	-
Change of assumptions or other inputs	(20,232)	27,824	(7,981)
Benefit payments	(11,522)	(11,808)	(13,419)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 377,749</u>	<u>\$ 361,492</u>	<u>\$ 285,431</u>

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

The schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Pamlico County

**Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Required Supplemental Information
For the Year Ended June 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 377,749	\$ 361,492	\$ 285,431
Covered payroll	\$ 1,031,255	\$ 1,061,206	\$ 873,603
Total pension liability as a percentage of covered payroll	36.63%	34.06%	32.67%

Notes to the schedule:

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

The schedule is intended to present information for ten years. Additional years will be displayed as they become available.

Pamlico County
Schedule of Changes in the Total OPEB
Liability and Related Ratios
Required Supplemental Information
For the Year Ended June 30, 2019

Total OPEB Liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 92,493	\$ 98,554
Interest	37,797	30,758
Changes of benefit terms	-	-
Differences between expected and actual experience	20,524	8,401
Changes of assumptions	(39,157)	(62,996)
Benefit payments	<u>(41,631)</u>	<u>(28,243)</u>
Net change in total OPEB liability	70,026	46,474
Total OPEB liability - beginning	1,082,336	1,035,862
Total OPEB liability - ending	<u><u>\$ 1,152,362</u></u>	<u><u>\$ 1,082,336</u></u>
Covered payroll	\$ 4,967,384	\$ 4,967,384
Total OPEB liability as a percentage of covered payroll	23.20%	21.79%

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	3.56%
2019	3.89%

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes			
Taxes		\$ 10,682,582	
Penalties and interest		119,201	
Total	\$ 10,787,000	10,801,783	\$ 14,783
Local option sales tax			
Article 39 and 44		1,432,092	
Article 40		885,467	
Article 42		551,912	
Total	2,759,402	2,869,471	110,069
Other taxes and licenses			
Documentary stamps		73,085	
Scrap tire disposal tax		18,487	
White goods disposal tax		5,457	
Medicaid hold harmless		179,773	
Other taxes		17,470	
Total	307,800	294,272	(13,528)
Unrestricted intergovernmental			
Beer and wine tax		35,019	
ABC profit distribution		69,522	
School resource officer		90,244	
Sheriff & Jail fees		1,410,834	
Facility fees		13,652	
Total	1,591,869	1,619,271	27,402
Restricted intergovernmental			
Federal and State grants		3,262,814	
Controlled substance tax		18,440	
ABC bottle tax		4,673	
Total	3,747,664	3,285,927	(461,737)

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Permits and fees			
Building permits		112,487	
Register of Deeds		56,184	
Other permits and fees		69,619	
Total	268,000	238,290	(29,710)
Sales and services			
Rents and concessions		43,989	
Recreation fees		3,845	
Patient Fees - Nursing Home & Health Dept.		6,294	
Senior Citizens fees		747	
Other fees		122,693	
Total	137,611	177,568	39,957
Investment earnings	181,000	195,268	14,268
Miscellaneous	99,365	93,774	(5,591)
Total revenues	19,879,711	19,575,624	(304,087)
EXPENDITURES			
General government			
Governing board			
Salaries and benefits		79,671	
Operating expenditures		401,281	
Total	578,875	480,952	97,923
County manager			
Salaries and benefits		161,789	
Operating expenditures		13,544	
Total	188,152	175,333	12,819
Personnel			
Salaries and benefits		121,723	
Operating expenditures		8,123	
Total	163,186	129,846	33,340
Finance			
Salaries and benefits		297,408	
Operating expenditures		43,074	
Total	380,212	340,482	39,730

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Tax Administrator			
Salaries and benefits		358,818	
Operating expenditures		159,081	
Total	541,396	517,899	23,497
Board of Elections			
Salaries and benefits		112,722	
Operating expenditures		48,214	
Total	175,526	160,936	14,590
Register of Deeds			
Salaries and benefits		111,698	
Operating expenditures		31,184	
Total	154,398	142,882	11,516
Data processing	100,400	87,760	12,640
Public Buildings			
Salaries and benefits		155,723	
Operating expenditures		230,587	
Capital outlay		397,998	
Total	899,864	784,308	115,556
Total general government	3,182,009	2,820,398	361,611
Public safety			
Sheriff			
Salaries and benefits		1,415,213	
Operating expenditures		450,249	
Capital outlay		165,930	
Total	2,177,085	2,031,392	145,693
Jail			
Salaries and benefits		1,082,675	
Operating expenditures		674,356	
Capital outlay		24,455	
Total	1,929,386	1,781,486	147,900

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Dispatch			
Salaries and benefits		306,729	
Operating expenditures		1,893	
Total	355,113	308,622	46,491
Medical examiner	26,000	15,900	10,100
Emergency management			
Salaries and benefits		91,939	
Operating expenditures		64,355	
Fire Departments		84,308	
Rescue Squads		625,000	
Total	892,050	865,602	26,448
Total public safety	5,379,634	5,003,002	376,632
Environmental protection			
Recycling			
Salaries and benefits		82,793	
Operating expenditures		224,255	
Capital outlay		134,650	
Total	646,358	441,698	204,660
Landfill monitoring	19,600	4,614	14,986
Animal control			
Salaries and benefits		44,941	
Operating expenditures		43,612	
Total	99,290	88,553	10,737
Total environmental protection	765,248	534,865	230,383
Economic & physical development			
Planning			
Salaries and benefits		48,578	
Operating expenditures		8,272	
Total	78,550	56,850	21,700

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Building inspections			
Salaries and benefits		179,825	
Operating expenditures		24,651	
Total	223,459	204,476	18,983
Soil conservation			
Salaries and benefits		90,870	
Operating expenditures		315,161	
Total	482,131	406,031	76,100
Cooperative extension	128,068	108,778	19,290
Forrestry	102,281	87,505	14,776
Total economic & physical development	1,014,489	863,640	150,849
Human services			
Senior Center			
Salaries and benefits		192,549	
Operating expenses		100,399	
Small home repair		1,207	
NRCOG Nutrition		2,685	
Senior health insurance info		3,943	
Total	409,619	300,783	108,836

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Health department			
Salaries and benefits		220,039	
Operating expenses		43,849	
Bioterrorism		24,806	
Tuberculosis		17,020	
Communicable disease		12,780	
Immunization action plan		33,255	
Primary care		48,832	
Breast cervical cancer		29,510	
Breastfeeding peer counselor		3,073	
Child health		28,500	
Maternal health		5,151	
Women preventive health		58,168	
Health promotion		3,928	
Environmental health		126,398	
Mosquito control		16,738	
HIV/STD		29,835	
Food and lodging		43,413	
Woman, infant and children		110,984	
Total	1,253,864	856,279	397,585
East Carolina Behavioral Health	39,200	35,743	3,457
Social services			
Salaries and benefits		1,926,031	
Operating expenditures		291,819	
Work First transportation		89	
Medicaid transportation		87,302	
Special Assistance for Adults		86,285	
Drug test/ child welfare		385	
Jobs program		315	
State foster care		62,084	
AFDC/TANF foster care		122,896	
Aid to the blind		770	
Adoption assistance		25,562	
Crisis intervention program		69,428	
Child services coordinator		22,374	
Aging services		89,737	
Duke Energy utility program		6,008	
Transportation		62,225	
NRCOG chore services		36,796	
Total	3,266,660	2,890,106	376,554

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Veterans services	30,678	22,998	7,680
Department of Juvenile Justice Partnership			
Task Force Certification		625	
Intervention - delinquency		70,711	
Total	110,343	71,336	39,007
Total human services	5,110,364	4,177,245	933,119
Cultural and recreation			
Salaries and benefits		222,435	
Operating expenditures		183,074	
Capital outlay		22,100	
Total	485,370	427,609	57,761
Libraries	395,038	393,038	2,000
Total cultural and recreation	880,408	820,647	59,761
Education			
Pamlico County Board of Education			
Current		3,794,710	
Capital		250,000	
Total	4,054,710	4,044,710	10,000
Pamlico Community College	615,000	610,000	5,000
Total education	4,669,710	4,654,710	15,000
Debt service			
Principal		617,146	
Interest		346,651	
Total debt service	988,734	963,797	24,937
Total expenditures	21,990,596	19,838,304	2,152,292
Revenues over (under) expenditures	(2,110,885)	(262,680)	1,848,205

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Installment purchase obligation issued	544,700	544,701	1
Transfer to FY16-008 FMA Fund	(58,737)	(22,000)	36,737
Transfer to Emergency Telephone System Fund	(42,767)	(42,767)	-
Transfer to HMGP Fund	(195,184)	(24,000)	171,184
Transfer to Golden Leaf Fund	(87,552)	(87,552)	-
Transfer to FMA-RL Fund	(22,659)	-	22,659
Transfer to Flood Mitigation Grant Fund	(2,523)	-	2,523
Transfer to ROD Enhancement & Preservation F	(7,407)	-	7,407
Transfer to FEMA Fund	(1,633,062)	(1,633,062)	-
Transfer from Water Fund	117,000	117,000	-
Total other financing sources	(1,388,191)	(1,147,680)	240,511
Fund balance appropriated	3,499,076	-	(3,499,076)
Net change in fund balance	\$ -	(1,410,360)	\$ (1,410,360)
Fund balance, beginning		10,248,654	
Fund balance, ending		\$ 8,838,294	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
FEMA Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 2,000,000	\$ 847,139	\$ (1,152,861)
EXPENDITURES			
Public safety			
Salaries and benefits		503,667	
Contracted services		2,964,311	
Other operating expenses		58,809	
Total public safety	3,633,062	3,526,787	106,275
Debt service	2,000,000	847,139	1,152,861
Total expenditures	5,633,062	4,373,926	1,259,136
Revenue over (under) expenditures	(3,633,062)	(3,526,787)	106,275
OTHER FINANCING SOURCES:			
Installment purchase obligation issued	2,000,000	2,000,000	-
Transfer from General Fund	1,633,062	1,633,062	-
Total other financing sources	3,633,062	3,633,062	-
Revenues and other financing sources over (under) expenditures	\$ -	106,275	\$ 106,275
Fund balance, beginning		-	
Fund balance, ending		\$ 106,275	

Pamlico County
Schedule of Revenues, Expenditures
and Changes in Fund Balances
Hazard Mitigation Grant Fund
For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 12,972,070	\$ 259,881	\$ (12,712,189)
EXPENDITURES			
Economic & physical development			
Soft costs	797,154	76,131	721,023
Acquisition	3,557,084	-	3,557,084
Administration	328,079	-	328,079
Clearance	861,374	-	861,374
Rehabilitation	7,623,563	206,250	7,417,313
Total expenditures	13,167,254	282,381	12,884,873
Revenue over (under) expenditures	(195,184)	(22,500)	172,684
OTHER FINANCING SOURCES:			
Transfer from General Fund	195,184	24,000	(171,184)
Revenues and other financing sources over (under) expenditures	\$ -	1,500	\$ 1,500
Fund balance, beginning		12,996	
Fund balance, ending		\$ 14,496	

**Pamlico County
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2019**

	Special Revenue Funds											Capital Project Fund			Total Non-Major Governmental Funds
	Fire District Funds	Reappraisal Fund	Emergency Telephone System Fund	CDBG Scattered Site Fund	Register of Deeds Enhancement & Preservation	4H Fund	Electronic Management Fund	FMA-SRL Grant Fund	FMA-RL Grant Fund	NCHFA Grant Fund	FY16-008 FMA Grant	Flood Mitigation SRL	Golden Leaf Grant	PCC Roof Replacement Project	Total Non-Major Governmental Funds
ASSETS															
Cash and cash equivalents	\$ 25,537	\$ -	\$ 199,508	\$ 2,500	\$ 4,014	\$ 17,698	\$ 6,633	\$ 130,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,225
Accounts receivable	-	-	37,517	-	-	-	-	28,045	164,461	-	58,737	2,523	-	-	291,283
Taxes receivable, net	81,077	-	-	-	-	-	-	-	-	-	-	-	-	-	81,077
Prepaid items	-	-	-	-	-	2,720	-	-	-	-	-	-	-	-	2,720
Restricted cash and cash equivalents	-	109,961	-	-	-	-	-	-	-	-	-	-	-	-	109,961
Total assets	\$ 106,614	\$ 109,961	\$ 237,025	\$ 2,500	\$ 4,014	\$ 20,418	\$ 6,633	\$ 158,380	\$ 164,461	\$ -	\$ 58,737	\$ 2,523	\$ -	\$ -	\$ 871,266
LIABILITIES															
Accounts payable	\$ -	\$ 25,406	\$ 6,235	\$ 2,500	\$ -	\$ 51	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,221
Cash overdraft	-	-	-	-	-	-	-	-	88,349	-	58,737	2,523	-	1,294	150,903
Total liabilities	-	25,406	6,235	2,500	-	51	-	-	88,378	-	58,737	2,523	-	1,294	185,124
DEFERRED INFLOWS OF RESOURCES															
Property taxes receivable	81,077	-	-	-	-	-	-	-	-	-	-	-	-	-	81,077
FUND BALANCES															
Non-spendable	-	-	-	-	-	2,720	-	-	-	-	-	-	-	-	2,720
Restricted															
Stabilization by State Statute	-	-	37,517	-	-	-	-	28,045	164,461	-	58,737	2,523	-	-	291,283
Public Safety	25,537	-	193,273	-	-	-	-	-	-	-	-	-	-	-	218,810
Economic and physical development	-	-	-	-	-	17,647	6,633	130,335	-	-	-	-	-	-	154,615
Register of deeds	-	-	-	-	4,014	-	-	-	-	-	-	-	-	-	4,014
Committed	-	84,555	-	-	-	-	-	-	-	-	-	-	-	-	84,555
Unassigned	-	-	-	-	-	-	-	-	(88,378)	-	(58,737)	(2,523)	-	(1,294)	(150,932)
Total fund balances	25,537	84,555	230,790	-	4,014	20,367	6,633	158,380	76,083	-	-	-	-	(1,294)	605,065
Total liabilities, deferred inflows of resources and fund balances	\$ 106,614	\$ 109,961	\$ 237,025	\$ 2,500	\$ 4,014	\$ 20,418	\$ 6,633	\$ 158,380	\$ 164,461	\$ -	\$ 58,737	\$ 2,523	\$ -	\$ -	\$ 871,266

Pamlico County
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-major Governmental Funds
For The Fiscal Year Ended June 30, 2019

	Special Revenue Funds											Capital Project Fund		Total Non-Major Governmental Funds		
	Fire District Funds	Reappraisal Fund	Emergency Telephone System Fund	CDBG Scattered Site Fund	Register of Deeds Enhancement & Preservation	4H Fund	Electronic Management Fund	FMA-SRL Fund	FMA-RL Fund	NCHFA Grant Fund	FY16-008 FMA Grant	Flood Mitigation SRL	Golden Leaf Grant		PCC Roof Replacement Project	
REVENUES																
Ad valorem taxes	\$ 714,580	\$ 46,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760,673
Restricted intergovernmental	-	-	158,436	-	6,648	-	-	59,580	165,032	32,440	101,870	12,608	71,504	-	-	608,118
Other taxes and license	146,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146,192
Sales and service	-	-	-	-	-	518	-	-	-	-	-	-	-	-	-	518
Investment earnings	-	7,263	-	-	-	-	-	-	-	-	-	-	-	-	-	7,263
Miscellaneous	-	-	-	-	-	-	831	-	-	-	-	-	-	-	-	831
Total revenues	860,772	53,356	158,436	-	6,648	518	831	59,580	165,032	32,440	101,870	12,608	71,504	-	-	1,523,595
EXPENDITURES																
Current																
General government	-	216,008	-	-	-	-	-	-	-	-	-	-	-	-	-	216,008
Public safety	857,993	-	112,274	-	-	-	-	-	-	-	-	-	-	-	-	970,267
Economic & physical development	-	-	-	-	9,972	1,578	-	59,580	164,101	32,440	123,870	12,608	159,056	-	-	563,205
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	857,993	216,008	112,274	-	9,972	1,578	-	59,580	164,101	32,440	123,870	12,608	159,056	-	-	1,749,480
Excess (deficiency) of revenues over expenditures	2,779	(162,652)	46,162	-	(3,324)	(1,060)	831	-	931	-	(22,000)	-	(87,552)	-	-	(225,885)
OTHER FINANCING SOURCES																
Transfer from General Fund	-	-	42,767	-	-	-	-	-	-	-	22,000	-	87,552	-	-	152,319
Net change in fund balances	2,779	(162,652)	88,929	-	(3,324)	(1,060)	831	-	931	-	-	-	-	-	-	(73,566)
Fund balance, beginning	22,758	247,207	141,861	-	7,338	21,427	5,802	158,380	75,152	-	-	-	-	(1,294)	-	678,631
Fund balances, ending	\$ 25,537	\$ 84,555	\$ 230,790	\$ -	\$ 4,014	\$ 20,367	\$ 6,633	\$ 158,380	\$ 76,083	\$ -	\$ -	\$ -	\$ -	\$ (1,294)	\$ -	\$ 605,065

Pamlico County
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Fire District Funds
For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes	\$ 904,000	\$ 714,580	\$ (189,420)
Other taxes	231,200	146,192	(85,008)
Total revenues	1,135,200	860,772	(274,428)
EXPENDITURES			
Public safety			
Operating expenditures	1,135,200	857,993	277,207
Revenues over (under) expenditures	\$ -	2,779	\$ 2,779
Fund balance, beginning		<u>22,758</u>	
Fund balance, ending		<u><u>\$ 25,537</u></u>	

Pamlico County
Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
Reappraisal Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes	\$ 54,000	\$ 46,093	\$ (7,907)
Investment earnings	-	7,263	7,263
Total revenues	54,000	53,356	(644)
EXPENDITURES			
General government			
Operating expenditures	226,424	216,008	10,416
Revenues over (under) expenditures	(172,424)	(162,652)	9,772
Appropriated fund balance	172,424	-	(172,424)
Revenues and appropriated fund balance over (under) expenditures	\$ -	(162,652)	\$ (162,652)
Fund balance, beginning		<u>247,207</u>	
Fund balance, ending		<u>\$ 84,555</u>	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Emergency Telephone System Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 125,000	\$ 158,436	\$ 33,436
EXPENDITURES			
Public safety			
Contracted services		112,274	
Total expenditures	167,767	112,274	55,493
Revenues over (under) expenditures	(42,767)	46,162	88,929
OTHER FINANCING SOURCES			
Transfer from General Fund	42,767	42,767	-
Revenues and other financing sources over (under) expenditures	\$ -	88,929	\$ 88,929
Fund balance, beginning		<u>141,861</u>	
Fund balance, ending		<u>\$ 230,790</u>	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual
CDBG Scattered Site Fund
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Variance Positive (Negative)	
		Prior Year	Current Year		Total to Date
REVENUES					
Resticted revenues:					
CDBG Grants	\$ 2,210,702	\$ 440,342	\$ -	\$ 440,342	\$ (1,770,360)
EXPENDITURES					
Economic and physical development					
Clearance	139,569	16,267	-	16,267	123,302
Rehabilitation	685,261	202,448	-	202,448	482,813
Relocation	1,157,000	186,829	-	186,829	970,171
Administration	228,872	32,627	-	32,627	196,245
Total expenditures	2,210,702	438,171	-	438,171	1,772,531
Revenues over (under) expenditures	-	2,171	-	2,171	2,171
OTHER FINANCING USES					
Transfer to General Fund	-	2,171	-	2,171	2,171
Revenues over (under) expenditures and other uses	\$ -	\$ 4,342	-	\$ 4,342	\$ 4,342
Fund balance, beginning			-		
Fund balance, ending			\$ -		

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Register of Deeds Enhancement Preservation Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Other taxes and license			
Other taxes	\$ 10,477	\$ 6,648	\$ (3,829)
EXPENDITURES			
Economic and physical development			
Operating expenditures		9,972	
Total expenditures	10,477	9,972	505
Revenues over (under) expenditures	\$ -	(3,324)	\$ (3,324)
Fund balance, beginning		7,338	
Fund balance, ending		\$ 4,014	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
4-H Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales and service	\$ 2,500	\$ 518	\$ (1,982)
EXPENDITURES			
Economic and physical development			
Operating expenditures	2,500	1,578	922
Revenues over (under) expenditures	\$ -	(1,060)	\$ (1,060)
Fund balance, beginning		21,427	
Fund balance, ending		\$ 20,367	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Electronic Management Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Miscellaneous	\$ 1,000	\$ 831	\$ (169)
EXPENDITURES			
Economic and physical development			
Operating expenditures	1,000	-	1,000
Revenues over (under) expenditures	\$ -	831	\$ 831
Fund balance, beginning		<u>5,802</u>	
Fund balance, ending		<u>\$ 6,633</u>	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
FMA-SRL Grant Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 304,221	\$ 59,580	\$ (244,641)
EXPENDITURES			
Economic and physical development			
Soft costs		13,580	
Elevation		46,000	
Total expenditures	304,221	59,580	244,641
Revenues over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		158,380	
Fund balance, ending		\$ 158,380	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
FMA-RL Grant Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 446,744	\$ 165,032	\$ (281,712)
EXPENDITURES			
Economic and physical development			
Soft costs		36,194	
Elevation		127,907	
Total expenditures	446,744	164,101	282,643
Revenues over (under) expenditures	\$ -	931	\$ 931
Fund balance, beginning		75,152	
Fund balance, ending		\$ 76,083	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
NCHFA Grant Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 150,000	\$ 32,440	\$ (117,560)
EXPENDITURES			
Economic and physical development			
Soft costs		9,790	
Hard costs		22,650	
Total expenditures	150,000	32,440	117,560
Revenues over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
FY16-008 FMA Grant Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 1,198,292	\$ 101,870	\$ (1,096,422)
EXPENDITURES			
Economic and physical development			
Soft costs		101,870	
Elevation cost		22,000	
Total expenditures	1,257,029	123,870	1,133,159
Revenues over (under) expenditures	(58,737)	(22,000)	36,737
OTHER FINANCING SOURCES			
Transfer from General Fund	58,737	22,000	(36,737)
Revenues and other sources over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Flood Mitigation Grant Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 173,933	\$ 12,608	\$ (161,325)
EXPENDITURES			
Economic and physical development			
Soft costs		12,608	
Total expenditures	173,933	12,608	161,325
Revenues over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Golden Leaf Grant Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 822,011	\$ 71,504	\$ (750,507)
EXPENDITURES			
Economic and physical development			
Training		159,056	
Total expenditures	909,563	159,056	750,507
Revenues over (under) expenditures	(87,552)	(87,552)	-
OTHER FINANCING SOURCES			
Transfer from General Fund	87,552	87,552	-
Revenues and other sources over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

Pamlico County
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
PCC Roof Replacement Project
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
REVENUES					
Restricted Intergovernmental	\$ 50,000	\$ 11,607	\$ -	\$ 11,607	\$ (38,393)
Investment earnings	-	92	-	92	92
Total revenues	50,000	11,699	-	11,699	(38,301)
EXPENDITURES					
Economic and physical development					
Construction	456,000	442,832	-	442,832	13,168
Professional fees	12,121	11,001	-	11,001	1,120
Administration	22,850	1,900	-	1,900	20,950
Contingency	44,000	-	-	-	44,000
Debt Service	-	57,260	-	57,260	(57,260)
Total expenditures	534,971	512,993	-	512,993	21,978
Revenues over (under) expenditures	(484,971)	(501,294)	-	(501,294)	(16,323)
OTHER FINANCING SOURCES					
Installment purchase obligation issued	484,971	500,000	-	500,000	15,029
Total other financing sources	484,971	500,000	-	500,000	15,029
Revenues and other sources					
over (under) expenditures	\$ -	\$ (1,294)	\$ -	\$ (1,294)	\$ (1,294)

Pamlico County
Schedule of Revenues, Expenditures and
Budget and Actual (Non-GAAP)
Water Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues			
Charges for services	\$ 2,390,034	\$ 2,454,254	\$ 64,220
Taps and connection fees	70,000	67,590	(2,410)
Other operating revenue	21,996	12,350	(9,646)
Total revenues	2,482,030	2,534,194	52,164
EXPENDITURES			
Water operations			
Salaries and benefits		555,843	
Contract services		461,244	
Monitoring services		58,491	
Utilities		126,427	
Maintenance and repairs		72,375	
Supplies and materials		338,424	
Other operating expenditures		41,389	
Total	1,919,857	1,654,193	265,664
Debt service			
Principal		401,706	
Interest		10,846	
Total	502,801	412,552	90,249
Capital outlay	68,000	67,774	226
Total expenditures	2,490,658	2,134,519	356,139
Revenues over (under) expenditures	(8,628)	399,675	408,303

Pamlico County
Schedule of Revenues, Expenditures and
Budget and Actual (Non-GAAP)
Water Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Impact fee repayment	(600,000)	(600,000)	-
Transfer to capital projects	(432,162)	(432,162)	-
Transfer to other funds	(117,000)	(117,000)	-
Total other financing sources (uses)	(1,149,162)	(1,149,162)	-
Appropriated fund balance	1,157,790	-	(1,157,790)
Revenues and other sources over (under)			
expenditures and other uses	\$ -	(749,487)	\$ (749,487)

Reconciliation from budgetary basis to
full accrual:

Reconciling items:

Decrease in accrued vacation	8
Decrease in total OPEB liability	7,646
Capital reserve revenues	70,320
Transfer to capital project	432,162
Capital outlay	67,774
Debt principal	401,706
Increase in deferred outflows of resources-pensions	21,926
Increase in deferred outflows of resources - OPEB	994
Increase in net pension liability	(32,069)
Decrease in deferred inflows of resources - pensions	2,135
Increase in deferred inflows of resources - OPEB	(982)
Administrative expenses included in capital projects	(45,983)
Capital contributions	500,000
Depreciation	(685,562)
Total reconciling items	<u>740,075</u>
Change in net position	<u>\$ (9,412)</u>

Pamlico County
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Water Fund – Capital Reserve Fund
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Non-operating revenues:			
Investment earnings	\$ -	\$ 70,320	\$ 70,320
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 70,320	\$ 70,320

Pamlico County
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Minnesott Pressure Improvement Project
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Variance Positive (Negative)	
		Prior Year	Current Year		Total to Date
REVENUES					
Operating revenues	\$ -	\$ 33,009	\$ -	\$ 33,009	\$ 33,009
Investment earnings	-	4,293	-	4,293	4,293
Total revenues	-	37,302	-	37,302	37,302
EXPENDITURES					
Construction	4,702,421	3,579,413	-	3,579,413	1,123,008
Professional fees	-	2,743	-	2,743	(2,743)
Interest and fees	77,786	93,670	-	93,670	(15,884)
Total expenditures	4,780,207	3,675,826	-	3,675,826	1,104,381
Revenues over (under) expenditures	(4,780,207)	(3,638,524)	-	(3,638,524)	1,141,683
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	487,849	213,006	-	213,006	(274,843)
Long-term debt proceeds	8,292,358	7,888,793	-	7,888,793	(403,565)
Refinance of interim loan	(4,000,000)	(4,000,000)	-	(4,000,000)	-
Total other financing sources (uses)	4,780,207	4,101,799	-	4,101,799	(678,408)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 463,275	\$ -	\$ 463,275	\$ 463,275

Pamlico County
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Kershaw Water Treatment Plant Project
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Year	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
EXPENDITURES					
Construction	\$ 1,448,025	\$ 1,187,967	\$ 125,687	\$ 1,313,654	\$ 134,371
Professional fees	25,600	11,839	-	11,839	13,761
Total expenditures	1,473,625	1,199,806	125,687	1,325,493	148,132
Revenues over (under) expenditures	(1,473,625)	(1,199,806)	(125,687)	(1,325,493)	148,132
OTHER FINANCING SOURCES					
Transfer from other funds	896,702	669,677	-	669,677	(227,025)
Long-term debt proceeds	576,923	576,923	-	576,923	-
Total other financing sources	1,473,625	1,246,600	-	1,246,600	(227,025)
Revenues and other sources over (under) expenditures	\$ -	\$ 46,794	\$ (125,687)	\$ (78,893)	\$ (78,893)

Pamlico County
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Reelsboro Elevated Tank Project
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
REVENUES					
Restricted intergovernmental	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -
EXPENDITURES					
Engineering	\$ 48,500	\$ 39,230	\$ -	\$ 39,230	\$ 9,270
Administration	141,225	19,072	103,185	122,257	18,968
Legal	11,000	7,900	817	8,717	2,283
Environmental	30,000	22,578	-	22,578	7,422
Construction	963,304	-	1,149,795	1,149,795	(186,491)
Closing cost	18,975	-	18,975	18,975	-
Contingency	70,971	9,442	20,502	29,944	41,027
Total expenditures	1,283,975	98,222	1,293,274	1,391,496	(107,521)
Revenues over (under) expenditures	(783,975)	(98,222)	(793,274)	(891,496)	(107,521)
OTHER FINANCING SOURCES					
Transfer from Water Fund	-	79,000	-	79,000	79,000
Long-term debt proceeds	783,975	-	197,619	197,619	(586,356)
Total other financing sources (use)	783,975	79,000	197,619	276,619	(507,356)
Revenues and other sources over (under) expenditures	\$ -	\$ (19,222)	\$ (595,655)	\$ (614,877)	\$ (614,877)

Pamlico County
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Kershaw / Grantsboro Water Project
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Year	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
EXPENDITURES					
Engineering	\$ 67,000	\$ -	\$ 53,197	\$ 53,197	\$ 13,803
Construction	350,221	-	193,089	193,089	157,132
Contingency	14,941	-	-	-	14,941
Total expenditures	432,162	-	246,286	246,286	185,876
Revenues over (under) expenditures	(432,162)	-	(246,286)	(246,286)	185,876
OTHER FINANCING SOURCES					
Transfer from Water Fund	432,162	-	432,162	432,162	-
Total other financing sources	432,162	-	432,162	432,162	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ 185,876	\$ 185,876	\$ 185,876

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

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Social services:				
Assets:				
Cash and cash equivalents	\$ 55,287	\$ 4,316	\$ -	\$ 59,603
Liabilities:				
Accounts payable	\$ 55,287	\$ 4,316	\$ -	\$ 59,603
Bay River Metropolitan Sewer District:				
Assets:				
Cash and cash equivalents	\$ 66,815	\$ 17,714		\$ 84,529
Accounts receivable	215,847		20,628	195,219
Total assets	\$ 282,662	\$ 17,714	\$ 20,628	\$ 279,748
Liabilities:				
Accounts payable	\$ 282,662		\$ 2,914	\$ 279,748
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 109,681	\$ 22,030	\$ -	\$ 144,132
Accounts receivable	173,995	-	20,628	195,219
Total assets	\$ 283,676	\$ 22,030	\$ 20,628	\$ 339,351
Liabilities:				
Accounts payable	\$ 337,949	\$ 4,316	\$ 2,914	\$ 339,351

Pamlico County
Schedule of Ad Valorem Taxes Receivable
General Fund
June 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 10,919,272	\$ 10,509,042	\$ 410,230
2017-2018	458,373	-	174,466	283,907
2016-2017	204,402	-	66,156	138,246
2015-2016	148,983	-	49,077	99,906
2014-2015	116,073	-	32,824	83,249
2013-2014	95,890	-	20,072	75,818
2012-2013	88,250	-	15,394	72,856
2011-2012	67,220	-	7,174	60,046
2010-2011	62,283	-	7,471	54,812
2009-2010	57,764	-	8,710	49,054
2008-2009	53,267	-	53,267	-
	<u>\$ 1,352,505</u>	<u>\$ 10,919,272</u>	<u>\$ 10,943,653</u>	<u>1,328,124</u>
				Less: allowance for uncollectible amounts
				<u>(350,000)</u>
				Ad valorem taxes receivable - net
				<u>\$ 978,124</u>
				<u>Reconcilement with revenues:</u>
				Ad valorem taxes - General Fund
				\$ 10,801,783
				Ad valorem taxes - Reappraisal Fund
				46,093
				Penalties and interest
				(119,201)
				Tax garnishment fees collected
				(11,744)
				Taxes written off
				226,722
				Total collections and credits
				<u>\$ 10,943,653</u>

**Pamlico County
Analysis of Current Tax Levy
County-wide Levy
For the Fiscal Year Ended June 30, 2019**

	Property Valuation	Rate	Total Levy	Total Levy	
				Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Property taxed at current	\$ 1,586,426,514	\$ 0.625	\$ 10,775,155	\$ 9,915,166	\$ 859,989
Less: Senior Citizens exemptions	(13,878,520)	0.625	(86,747)	(86,747)	-
Public utilities	36,860,311	0.625	230,377	230,377	-
Penalties	-		9,475	9,475	-
Discoveries	2,401,403	0.625	15,009	15,009	-
Abatements	(3,839,520)	0.625	(23,997)	(23,997)	-
Total property valuation	<u>\$ 1,607,970,188</u>				
Net levy			\$ 10,919,272	\$ 10,059,283	\$ 859,989
Uncollected taxes at June 30, 2019			410,230	410,230	-
Current year's tax collected			<u>\$ 10,509,042</u>	<u>\$ 9,649,053</u>	<u>\$ 859,989</u>
Current levy collection percentage			<u>96.24%</u>	<u>95.92%</u>	<u>100.00%</u>

Pamlico County
Analysis of Secondary Market Disclosures
County-wide Levy
For the Fiscal Year Ended June 30, 2019

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio	100%
Real property	\$ 1,413,048,189
Personal property	136,518,014
Public service companies	36,860,311
Total assessed valuation	<u>\$ 1,586,426,514</u>
Tax rate per \$100	<u>\$ 0.625</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 10,919,272</u>

**Pamlico County
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2019**

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Weyerhaeuser Co.	Timber Land	\$ 23,384,546	1.38%
River Dunes Development LLC	Real Estate Developer	19,384,405	1.14%
Burton Farm Development	Real Estate Developer	13,851,126	0.82%
River Dunes Land Holdings LLC	Real Estate Developer	10,574,565	0.62%
Reserveco Inc.	Real Estate Developer	10,063,288	0.59%
Time Warner Cable Southeast	Cable Company	6,019,527	0.36%
Fulcher Point LLC	Seafood Distributor	4,924,471	0.29%
Cutter Bay Development LLC	Real Estate Developer	4,777,500	0.28%
McCotter Farm LLC	Agriculture	4,176,328	0.25%
Lee Don Farms LLC	Agriculture	3,699,106	0.22%
		<u>\$ 100,854,862</u>	<u>5.95%</u>



Carr, Riggs & Ingram, LLC
3105 Trent Road
New Bern, North Carolina 28563

Mailing Address:
P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

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

Independent Auditor's Report

To the Board of Commissioners
Pamlico County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico County, North Carolina as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises Pamlico County's basic financial statements, and have issued our report thereon dated November 26, 2019. Our report includes a reference to other auditors who audited the financial statements of the Pamlico County ABC Board, as described in our report on Pamlico County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Pamlico 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 Pamlico 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 Pamlico County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pamlico County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pamlico County's Response to Findings

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

Cam, Riggs & Ingram, L.L.C.

New Bern, North Carolina

November 26, 2019



Carr, Riggs & Ingram, LLC
3105 Trent Road
New Bern, North Carolina 28563

Mailing Address:
P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

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

Independent Auditor's Report

To the Board of Commissioners
Pamlico County, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pamlico County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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 Pamlico 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 Pamlico County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Pamlico 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 Pamlico 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 Pamlico County's internal control over compliance.

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

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

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

Cary Riggs & Ingram, L.L.C.

New Bern, North Carolina
November 26, 2019



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New Bern, North Carolina 28563

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New Bern, North Carolina 28563-1547

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(252) 633-0199 (fax)
www.cricpa.com

Report On Compliance For Each Major State Program and 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 Commissioners
Pamlico County, North Carolina

Report on Compliance for Each Major State Program

We have audited Pamlico 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 Pamlico County's major state programs for the year ended June 30, 2019. Pamlico County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pamlico 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 Pamlico 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 Pamlico County's compliance.

Opinion on Each Major State Program

In our opinion, Pamlico 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 Pamlico 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 Pamlico 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.

Carly Riggs & Ingram, L.L.C.

New Bern, North Carolina
November 26, 2019

Pamlico County
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------|--------|---------------------------------------------------------------------------|--|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified | | | | |
| 2. Internal control over major programs: | | | | | |
| a. Material weaknesses identified? | No | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted | | | | |
| 4. Identification of major programs: | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">CFDA
Number</td> <td style="text-align: center; border-bottom: 1px solid black;">Federal Program</td> </tr> <tr> <td style="text-align: center;">66.468</td> <td style="text-align: center;">Capitalization Grants for Drinking Water
State Revolving Funds Cluster</td> </tr> </table> | CFDA
Number | Federal Program | 66.468 | Capitalization Grants for Drinking Water
State Revolving Funds Cluster | |
| CFDA
Number | Federal Program | | | | |
| 66.468 | Capitalization Grants for Drinking Water
State Revolving Funds Cluster | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | Yes | | | | |

Pamlico County
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

State Awards:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? | None noted |
| 4. Identification of major programs: | |

State Program Name
 Stream Debris Removal
 Disaster Grants - Public Assistance (Presidentially Declared Disaster)

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency

2019-01 Deficit fund balance

Criteria: North Carolina General Statute 159-13 (b)(2) requires the full amount of any deficit in each fund shall be appropriated.

Condition: The PCC Roof Replacement Fund had a deficit fund balance of \$1,294 at June 30, 2019.

Effect: The County is in violation of North Carolina General Statute 159-13(b)(2).

Cause: The County had a shortage of revenues and has not transferred additional funds from the General Fund to properly close the project.

Recommendation: The County should closely monitors its budgets to ensure compliance in future years.

Views of responsible officials: The County agrees with this finding. The deficit fund balance will be restored to positive amounts with a final transfer from the General Fund to properly close the capital project fund in fiscal year 2020.



**Pamlico County
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

SECTION III – FEDERAL AWARD FINDINGS

None noted

SECTION IV – STATE AWARDS FINDINGS

None noted

**Pamlico County
Corrective Action Plan
For the Fiscal Year Ended June 30, 2019**

Board of Commissioners

Chairman
Paul Delamar
At Large

Vice-Chairman
Edward Riggs Jr.
Township #3

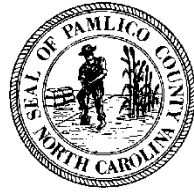
Doug Brinson
At Large

Pat Prescott
Township #1

Candy Bohmert
Township #2

Carl Ollison
Township #4

Missy Baskervill
Township #5



COUNTY OF PAMLICO

POST OFFICE BOX 776
BAYBORO, NORTH CAROLINA 28515
(252) 745-3133 / 745-5195
FAX (252) 745-5514

County Manager
Timothy A. Buck

Clerk to the Board
Courtney L. Norfleet

County Attorney
David B. Baxter, Jr.

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency
2019-01 Deficit fund balance

Name of contact person: Bill Fentress, Finance Officer

Corrective action: The deficit fund balance will be restored to a positive balance with a final transfer from the General Fund to close out the capital project fund in fiscal year 2020.

Proposed completion date: Immediately

SECTION III – FEDERAL AWARD FINDINGS

None noted

SECTION IV – STATE AWARDS FINDINGS

None noted



**Pamlico County
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

2018-001 Improper day sheets supporting Form DSS-1571

Status: This finding has been corrected.

2018-002 Contract of service was not properly executed

Status: This finding has been corrected.

SECTION IV – STATE AWARDS FINDINGS

None noted

Pamlico County
Schedule of Expenditures of Federal and State Awards
For the Fiscal 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
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 Cluster	10.561	XXXX	\$ 193,567	\$ 10,486
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration:				
Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5) Total U.S. Department of Agriculture	10.557	XXXX	62,545	-
			256,112	10,486
<u>U. S. Department of Homeland Security</u>				
Passed-through N.C. Department of Public Safety: Division of Emergency Management				
Emergency Management Performance Grants	97.042	XXXX	38,229	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	XXXX	635,354	211,785
Homeland Security Grant Program	97.067	XXXX	3,076	-
Hazard Mitigation Grant	97.039	XXXX	338,519	-
Total U. S. Department of Homeland Security			1,015,178	211,785
<u>Environmental Protection Agency</u>				
Passed through N.C. Department of Environmental Quality: Division of Water Resources				
Capitalization Grants for Drinking Water State Revolving Funds Cluster	66.468	XXXX	697,619	-
<u>U.S. Dept. of Health & Human Services</u>				
Passed-through the N.C. Dept. of Health and Human Services: Division of Aging and Adult Services				
<u>Aging Cluster:</u>				
Special Programs for the Aging - Title III Part B Grants for Supportive Services & Senior Centers	93.044	XXXX	25,042	1,473
Special Programs for the Aging - Title III Part C Nutrition Services	93.045	XXXX	64,263	3,780
Nutrition Services Incentive Program	93.053	XXXX	11,860	-
Total Aging Cluster			101,165	5,253
Social Services Block Grant - In Home Services	93.667	XXXX	19,289	551

Pamlico County
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services				
<u>Temporary Assistance for Needy Families Cluster (Note 5)</u>				
Temporary Assistance for Needy Families (TANF) /				
Work First Cluster	93.558	XXXX	141,905	-
Division of Public Health				
Temporary Assistance for Need Families (TANF)	93.558	XXXX	1,703	-
Total Temporary Assistance for Needy Families Cluster (Note 5)			143,608	-
<u>Foster Care and Adoption Cluster (Notes 4 & 5)</u>				
Foster Care - Title IV-E	93.658	XXXX	93,531	7,150
Adoption Assistance	93.659	XXXX	1,161	-
Total Foster Care and Adoption Cluster (Notes 4&5)			94,692	7,150
Promoting Safe and Stable Families	93.556	XXXX	908	-
Child Support Enforcement	93.563	XXXX	116,790	-
Low-Income Home Energy Assistance:				
Administration	93.568	XXXX	69,559	-
Crisis Intervention Program	93.568	XXXX	9,727	-
Total Low-Income Home Energy Assistance			79,286	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	XXXX	4,478	-
Social Services Block Grant - Other Services and Training	93.667	XXXX	62,293	-
Division of Child Development:				
Subsidized Child Care				
<u>Child Care Development Fund Cluster:</u>				
Division of Social Services:				
Child Care Mandatory and Matching Funds of the				
Child Care Development Fund - Administration	93.596	XXXX	78,492	-
Total Subsidized Child Care			78,492	-
Division of Health Benefits:				
Administration:				
Medical Assistance Program (Medicaid Cluster) (Note 5)	93.778	XXXX	666,781	561
Division of Social Services:				
Administration:				
Children's Health Insurance Program - N.C. Health Choice (Note 5)	93.767	XXXX	25,489	-

Pamlico County
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreement	93.074	XXXX	27,452	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	XXXX	50	-
Family Planning Services	93.217	XXXX	19,751	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	XXXX	5,278	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	XXXX	6,885	-
Preventive Health and Health Services Block Grant	93.991	XXXX	8,211	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	XXXX	42	110
Maternal and Child Health Services Block Grant to the States	93.994	XXXX	36,953	9,424
Total U.S. Department of Health and Human Services			1,497,893	23,049
Total federal and State awards			3,466,802	245,320
State Awards:				
<u>N.C. Dept. of Administration</u>				
Veterans Service		XXXX	-	2,216
<u>N.C. Dept. of Agriculture</u>				
Stream Debris Removal		XXXX	-	312,943
<u>N.C. Dept. of Public Instruction</u>				
Public School Building Capital Fund - Lottery Proceeds		XXXX	-	113,046

Pamlico County
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
State Awards:				
<u>N.C. Dept. of Health and Human Services</u>				
Division of Aging and Adult Services				
Division of Social Services				
90% State Funds - In Home Services		XXXX	-	68,866
90% State Funds - Home Delivered Meals		XXXX	-	22,482
Energy Assistance Private Grant		XXXX	-	6,008
State Child Welfare		XXXX	-	25,879
Total Division of Social Service			-	123,235
Division of Public Health				
CHA/CHIP Peer Review		XXXX	-	71,725
General Communicable Disease Control		XXXX	-	10,077
Family Planning		XXXX	-	21,788
Food and Lodging		XXXX	-	2,811
Mosquito Abatement (Hurricane Florence)		XXXX	-	16,039
Breast and Cervical Cancer Control		XXXX	-	6,375
HIV / STD State		XXXX	-	500
TB Control		XXXX	-	2,653
Total Division of Public Health			-	131,968
Total N. C. Department of Health and Human Services			-	255,203
<u>N.C. Dept. of Public Safety</u>				
Juvenile Crime Prevention Programs		XXXX	-	64,880
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program (ROAP) Cluster				
- ROAP Elderly and Disabled Transportation Assistance		XXXX	-	51,316
- ROAP Rural General Public Program		XXXX	-	1,886
- ROAP Work First Transitional - Employment			-	12,362
Total ROAP Cluster			-	65,564
Total N.C. Department of Transportation			-	65,564
Golden Leaf Foundation		XXXX	-	71,504
Total State awards			-	885,356
Total federal and State awards			\$ 3,466,802	\$ 1,130,676

For the year ended June 30, 2019, the County did not provide any federal or state funding or assistance to a subrecipient.

Pamlico County
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Pamlico 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 Requirement for Federal Awards and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Pamlico County, it is not intended to and does not present the financial position, changes in net position or cash flows of Pamlico 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

Pamlico County has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human services and are treated separately for state audit requirement purposes: Foster Care 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 determination that cause benefit payments to be issued by the State. These amounts disclosure this additional aid to County recipients.

Program Title	CFDA Number	Federal	State
Special Supplemental Nutrition Program for			
Women, Infant and Children	10.557	\$ 157,708	\$ -
Supplemental Nutrition Assistance Program	10.561	2,645,360	-
Temporary Assistance for Needy Families	93.558	30,613	-
Adoption Assistance	93.659	41,969	10,233
Foster Care - Title IV-E	93.658	71,236	25,458
Medical Assistance Program	93.778	12,114,129	6,419,628
Children's Health Insurance Program	93.767	444,859	-
Child Welfare Services Adoption		-	52,830
State Foster Home		-	12,837
SFHF Maximization		-	18,565
SC/SA Domiciliary Care		-	82,793

Note 6: Noncash assistance

The County did not receive any noncash assistance, federally funded insurance, free rent, etc.