

**PASQUOTANK COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**PREPARED BY THE FINANCE DEPARTMENT**  
**SHERI SMALL, FINANCE OFFICER**

# **PASQUOTANK COUNTY, NORTH CAROLINA**

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## **INTRODUCTORY SECTION**

**COMMISSIONERS**

Jeff Dixon, Chairman  
Lloyd E. Griffin, III, Vice-Chairman  
Cecil Perry  
Frankie Meads  
Charles H. Jordan  
Sean Lavin  
Barry Overman



**COUNTY MANAGER**  
Sparty Hammett

**COUNTY ATTORNEY**  
R. Michael Cox

**CLERK TO THE BOARD**  
Lynn B. Scott

## **COUNTY OF PASQUOTANK**

Post Office Box 39  
Elizabeth City, North Carolina 27907-0039  
(252)335-0865  
Fax (252)335-0866

The Board of County Commissioners  
Pasquotank County, North Carolina

November 25, 2019

We are pleased to present the comprehensive annual financial report (CAFR) of Pasquotank County for the fiscal year ended June 30, 2019. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Thompson, Price, Scott, Adams & Co. P.A. and that firm's unmodified opinion is included in the financial section of this report. The County Finance Office, however, has prepared the report, and is responsible for the accuracy of the data and for the completeness and fairness of its presentation, including all disclosures. We believe that the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Pasquotank County's MD&A can be found immediately following the report of independent auditors.

The financial reporting entity includes all of the funds of the primary government (Pasquotank County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. Albemarle Hospital Authority and Elizabeth City-Pasquotank County Tourism Development Authority are reported as discretely presented component units.

Albemarle Hospital Authority is reported in the financial statements in a manner similar to a proprietary fund. The Elizabeth City-Pasquotank County Tourism Development Authority is reported in the financial statements in a manner similar to a governmental fund. The Pasquotank County Industrial Facilities and Pollution Control Financing Authority is also a component unit of Pasquotank County; however this authority has no financial transactions or account balances and therefore is not reported in the financial statements.

### **Description of the County**

Pasquotank County is located in the northeastern section of North Carolina and is bordered on three sides by water; the Pasquotank River to the east, the Albemarle Sound to the south, and the Little River to the west. The City of Elizabeth City is the County seat and is centrally located within the County. Pasquotank Precinct was created in 1672 from Albemarle County, the original County of North Carolina. Pasquotank Precinct was named for a tribe of Native Americans who inhabited the area. Pasquotank Precinct became a County in 1738 and is one of the four oldest counties in North Carolina. In 1793, the General Assembly authorized a town at the narrows of the Pasquotank River to be known as Redding which later changed its name to Elizabeth City. The County is known for being the site of many first events in the state. In 1660, the first known land deed in North Carolina was executed and is preserved in the Pasquotank County Courthouse; in 1665, the first Grand Assembly (the precursor to today's General Legislative Assembly) in North Carolina convened in the County; the Culpepper Rebellion, the first armed revolt against England occurred in 1677; and the first public school in North Carolina was established in the County in 1705. Pasquotank County has a land area of 229 square miles and a population of 39,731.

The County has a commissioner/manager form of government. The seven members of the Board of Commissioners are elected from a combination of districts and at-large on a partisan basis and serve staggered four-year terms. The Board of Commissioners is the policy-making and legislative authority for the County. They are also responsible for adopting a budget and appointing a County manager. The manager is responsible for implementing policies, managing daily operations, and appointing County employees. The County provides its citizens with a wide range of services that include public safety, human services, solid waste services, cultural and recreational activities, general government, and others. This report includes all of the County's activities in maintaining these services. The County also provides financial support to other boards and agencies to assist them in providing services to the citizens. Among these are the Elizabeth City-Pasquotank County Board of Education, College of the Albemarle, Albemarle Regional Health Services, Albemarle Commission, and Trillium Health Resources.

### **Economic Conditions and Outlook**

The economy of Pasquotank County remained about the same over the past year. The local unemployment rate was 5.1%, the state unemployment rate was 4.3% and the national rate was 3.6% at the end of fiscal year 2019. Major industries in Pasquotank County include DRS Technologies, Sentara Albemarle Medical Center, Hoffer Flow Controls, Inc., TCOM, J.W. Jones Lumber Company, and Century Link Telephone. The largest employers in Pasquotank County however, continue to be government facilities such as the U.S. Coast Guard, the Elizabeth City-Pasquotank County Public School System, the Pasquotank Correctional Institute, Elizabeth City State University, College of the Albemarle, Pasquotank County and Elizabeth City. Pasquotank County continues to have a diversified employment base, although it is somewhat dominated by governmental jobs.

Pasquotank County approved 54 new residential lots during the 2018-19 year. The total number of new home permits issued in the County were 73. Permits for new modular and manufactured homes issued in the County were 23.

Commercial construction permits that were issued in the County during this period consisted mainly of additions and renovations to existing buildings including an interior remodel for Duke Energy's new offices, an addition to Clayton Mobile Homes, and an addition to a storage facility at J&J Mini Storage. Drakes Farm and Garden's new location was completed as well as a new asphalt plant for Barnhill Construction. A new location for Balance's Fire was also permitted and a majority of the project is complete.



### **Major Initiatives**

The Board approved borrowing \$1.3 million from TowneBank to finance the HVAC replacement at Northside Elementary School.

The Board approved an offer from Robert and Denise Clarke to purchase property located at 102 Lark Drive, in Moyock, NC for \$200,000.

The Board agreed to contract with Holland Consulting Planners, Inc. to administer the two Hazard Mitigation Grants totaling \$923,240.

Emergency Medical Services began its participation in the Post Overdose Response Team (PORT) covering Pasquotank and Camden counties.

The Board approved a contract with Magette Well and Pump Company, Inc. for the reverse osmosis wellfield retrofit project in the amount of \$449,688.

### **Financial Information**

#### **Accounting**

The annual budget which is adopted by the County Board of Commissioners is an integral part of the County's accounting system and daily operations. The budget ordinance creates a legal limit on spending authorizations. The County's accounting records for general governmental operations are maintained on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when fund liabilities have occurred. Enterprise funds are reported on the full accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred. Adherence to generally accepted accounting principals is maintained with a concerted effort to follow the accounting and financial reporting guidelines of the Government Finance Officers Association of the United States and Canada (GFOA) and the Governmental Accounting Standards Board (GASB).

#### **Internal Control**

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) safeguarding of assets against loss from unauthorized use or disposition; (2) reliability of financial records for preparing financial statements in conformity with generally accepted accounting principals and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County's single audit, the independent auditor performed a review of the County's internal control structure. The procedures performed by the independent auditor did not indicate any material internal control weaknesses or reportable conditions.

#### **Long-term Financial Planning**

Pasquotank County borrowed \$1,735,000 in the 2018-19 year. The largest portion, \$1,300,000, was borrowed to fund the HVAC replacement at Northside Elementary School and the remaining \$435,000 was borrowed to fund vehicles for county departments.

The County anticipates borrowing funds in the 2019-2020 budget year for capital needs of the county and public schools in the amount of \$1.8 million.

### **Other Information**

#### **Independent Audit**

Pasquotank County is required by state law (G.S. 159-34) to have an annual independent financial audit. A compliance audit on federal and state financial assistance programs is also required under the Federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The County's auditor, Thompson, Price, Scott, Adams & Co. P.A. was selected through a formal request for proposals process. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports required as part of a single audit are found in the compliance section of this report.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pasquotank County for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twenty-first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report would not have been possible without the dedicated efforts the staff of the Finance Department. We also thank the members of the Board of County Commissioners for their continued support during the past year.

Respectfully submitted,



Sparty Hammett  
County Manager



Sheri Small  
Finance Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Pasquotank County  
North Carolina**

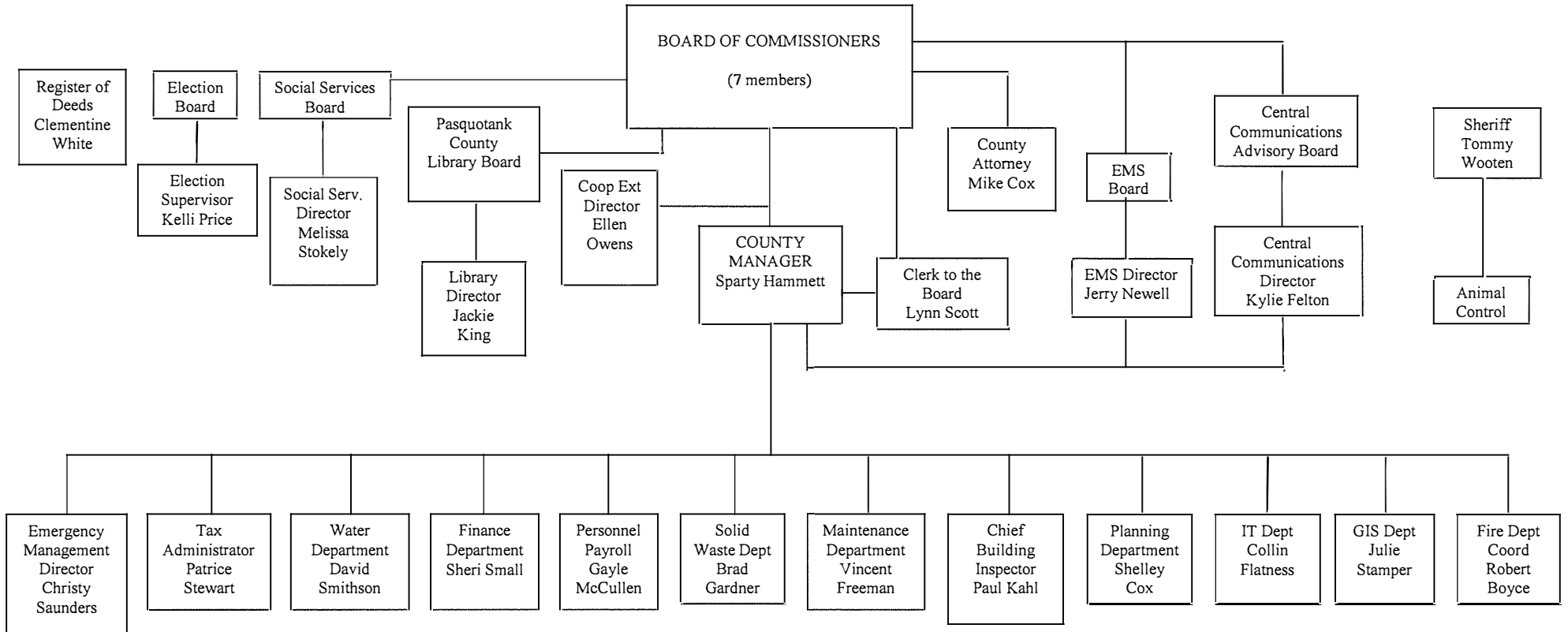
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

**PASQUOTANK COUNTY GOVERNMENT  
FY 2019-20**



## PASQUOTANK COUNTY, NORTH CAROLINA

PRINCIPAL OFFICIALS  
JUNE 30, 2019

### BOARD OF COMMISSIONERS

Jeff Dixon, Chairman

Lloyd E. Griffin, III Vice-Chairman  
Frankie Meads  
Barry Overman

Charles Jordan  
Cecil Perry  
Sean Lavin

Lynn Scott, Clerk to the Board  
R. Michael Cox, County Attorney

Office of the County Manager  
Sparty Hammett, County Manager

Tommy S. Wooten, II, Sheriff  
Melissa Stokely, Director,  
Department of Social Services  
David Smithson, Supervisor, Water Department  
Christy Saunders,  
Emergency Management Coordinator  
Gerald E. Newell, Director,  
Emergency Medical Services  
Clementine White, Register of Deeds  
Ellen Owens, Director, Agricultural  
Extension Service  
Kylie Felton, Interim Central Communications  
Director

Patrice Stewart, Tax Administrator  
Gayle McCullen, Personnel Director  
Sheri Small, Finance Officer  
Collin Flatness, IT Manager  
Paul Kahl, Building Inspector  
Kelli Price, Election Supervisor  
Shelley Cox, County Planner  
Vincent Freeman, Maintenance Supervisor  
Jackie King, Librarian,  
Pasquotank County Library  
Brad Gardner, Solid Waste Director  
Robert Boyce, Fire Department  
Coordinator

## **FINANCIAL SECTION**



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

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## **Independent Auditor's Report**

To the Board of County Commissioners  
Pasquotank County  
Elizabeth City, North Carolina

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Pasquotank 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 Pasquotank County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Albemarle Hospital Authority or EC-PC Tourism Development Authority which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Albemarle Hospital Authority and Tourism Development Authority 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 the Albemarle Hospital Authority and EC-PC Tourism Development Authority were not audited in accordance with *Government 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 opinions, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Pasquotank County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, schedules of the Changes in Total Pension Liability and Total Pension Liability as a percentage of payroll, Other Postemployment Benefits' Schedules of changes in the Net OPEB Liability and related ratios, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

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

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and



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

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019 on our consideration of Pasquotank County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Pasquotank County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA  
Wilmington, North Carolina  
November 22, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the County, we offer readers of Pasquotank County's (the "County") financial statements this narrative overview and analysis of the financial activities of the 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**

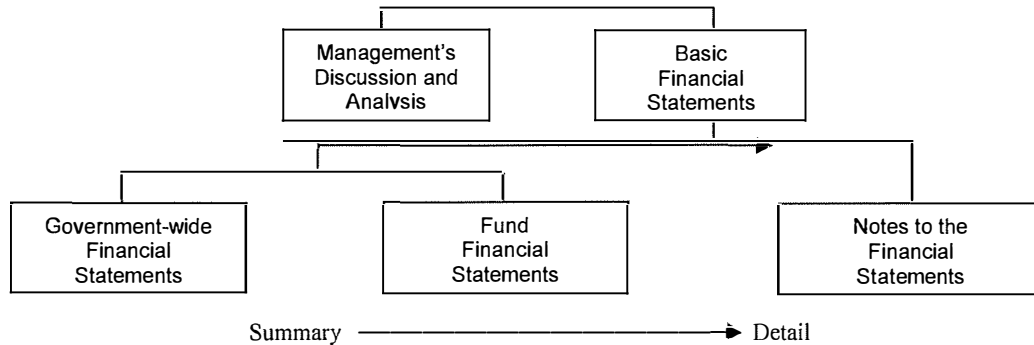
- The assets and deferred outflows of resources of Pasquotank County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$30,578,336 (net position).
- On the government-wide statements, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the governmental activities at the close of the fiscal year by \$2,395,280. The governmental activities' net assets are impacted considerably by the certificates of participation (COPS) and the qualified school construction bonds (QSCB) that the County has issued on behalf of the Elizabeth City-Pasquotank County Board of Education to fund capital projects. Under North Carolina law, the County is responsible for providing capital funding for the school system. The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds, installment purchase, bank qualified debt, certificates of participation, and qualified school construction bonds. The assets are not reflected in the County's financial statements and the full amount of the long-term debt \$13,090,339, is reflected in the County's financial statements. Under North Carolina law, the County is also responsible for capital and maintenance cost at College of the Albemarle. As of June 30, 2019 the outstanding debt relating to the expansion of Building A totaled \$1,713,600. The assets are not reflected in the County's financial statements.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17,224,490, an increase \$1,722,156 in comparison with the prior year. Approximately 55 percent of this total amount or \$9,559,897 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,559,897 or approximately 18.76 percent of total general fund expenditures for the fiscal year. The County appropriated \$700,000 for the 2019-2020 budget.
- The County's total debt decreased by \$4,165,410 during the current fiscal year, due to fiscal year principal payments exceeding new debt.
- The County has an "A" bond rating (Standard & Poor's Investor Services) and a rating of 80 from North Carolina Municipal Council, Inc.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the 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. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the agency fund statements.

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

### 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 County's total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as general administration, taxation and records, human services, education, and public safety. Property and other 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, sewer, and landfill services offered by The County. The final category is the component units. Although both component units are legally separate from the County, the County appoints the majority of the board members on the Elizabeth City-Pasquotank County Tourism Development Authority and the Hospital is important to the County because of the lease arrangement the Hospital has with the County.

The government-wide financial statements are on Pages 19 and 20 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. The 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 the County can be divided into two categories: governmental funds and proprietary 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* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The 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 Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

**Agency Funds** – Agency funds are used to account for assets the County holds on behalf of others. The County has six 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 are on pages 31 – 70 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning The County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 71 of this report.

## Government-wide Financial Analysis

### Pasquotank County's Net Position

	Governmental Activities		Business-type Activities		Totals		Percent Change 18-19
	2019	2018	2019	2018	2019	2018	
Current and other assets	\$ 21,778,160	\$ 20,155,286	\$ 16,950,816	\$ 15,314,047	\$ 38,728,976	\$ 35,469,333	9.19%
Capital assets	39,119,557	40,547,865	24,179,690	25,242,844	63,299,247	65,790,709	-3.78%
Total assets	<u>60,897,717</u>	<u>60,703,151</u>	<u>41,130,506</u>	<u>40,556,891</u>	<u>102,028,223</u>	<u>101,260,042</u>	0.76%
Total deferred outflows of resources	3,758,396	2,662,516	417,167	285,824	4,175,563	2,948,340	41.62%
Long-term liabilities/schools	13,090,339	14,615,183	-	-	13,090,339	14,615,183	-10.43%
Long-term liabilities/other	22,602,580	24,477,503	10,155,920	10,979,999	32,758,500	35,457,502	-7.61%
Other Liabilities	24,027,995	22,835,243	2,962,760	2,911,581	26,990,755	25,746,824	4.83%
Total liabilities	<u>59,720,914</u>	<u>61,927,929</u>	<u>13,118,680</u>	<u>13,891,580</u>	<u>72,839,594</u>	<u>75,819,509</u>	-3.93%
Total deferred inflows of resources	2,539,919	1,849,290	245,937	180,885	2,785,856	2,030,175	37.22%
Net position:							
Net investment in capital assets	18,396,347	18,250,889	14,023,770	14,262,845	32,420,117	32,513,734	-0.29%
Restricted/Bonds	6,267,194	5,290,307			6,267,194	5,290,307	16.94%
Unrestricted	<u>(22,268,261)</u>	<u>(23,952,748)</u>	<u>14,159,286</u>	<u>12,507,405</u>	<u>(8,108,975)</u>	<u>(11,445,343)</u>	-29.86%
Total net position	<u>\$ 2,395,280</u>	<u>\$ (411,552)</u>	<u>\$ 28,183,056</u>	<u>\$ 26,770,250</u>	<u>\$ 30,578,336</u>	<u>\$ 26,358,698</u>	16.01%

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$30,578,336 as of June 30, 2019. The County's net position increased by \$4,219,638 for the fiscal year ended June 30, 2019. Net position is reported in three categories: Net investment in capital assets of \$32.4 million, Restricted of \$6.2 million and Unrestricted of (\$8.1) million.

The net investment in capital assets is defined as the County's investment in County owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment, and infrastructure), less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in 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. At June 30, 2019 the decrease in this category of net position is due to current year depreciation exceeding additions.

The second category of net position is restricted. This represents resources that are subject to external restrictions on how they may be used.

The final category of net position is unrestricted. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2019, the total net deficit reported of \$(8,028,145) is primarily attributable to the implementation of GASB 75 as it relate to post-employment benefits and installment purchase, bank qualified debt, certificates of participation, and the qualified school construction bonds issued on behalf of the school system.

As with many counties in the State of North Carolina, the County's deficit in unrestricted net position is due primarily to the portion of the County's outstanding debt incurred for the Elizabeth City-Pasquotank County Board of Education (the "school system"). Under North Carolina law, the County is responsible for providing capital funding for the school system. The County has chosen to meet its legal obligation to provide the school system capital funding by using a mixture of County funds, certificates of participation, and qualified zone academy bonds. The assets are funded by the County; however, they are owned and utilized by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$13.0 million of the outstanding debt on the County's financial statements was related to assets included in the school system's financial statements. The school debt is collateralized by a deed of trust granting, among other things, a first lien of record on the Project, including the land constituting a part of the Project, all other buildings, structures, improvements and fixtures thereon and all appurtenances thereto of any nature whatsoever, excluding mobile or modular classrooms located on the Site at any time, subject to Permitted Encumbrances. Accordingly, the County makes installment payments under the Installment Financing Agreement for payment of the debt. Neither the certificates nor the County's obligation to make payments under the Installment Financing Agreement constitute a pledge of

the County's faith and credit within the meaning of any constitutional provision. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

The deficit in unrestricted net position in the Governmental Activities decreased this year by \$1,765,317 due primarily to the principal payments on school debt exceeding new debt issued for the school's capital needs. While expenses came in over \$5.5 million under budget, this was due in part by the funding for the costs for school projects being deferred to the 2019-2020 year and reserve funds. Revenues for the Governmental Activities also came in under budget due to grant reimbursements, and therefore; the costs being delayed until the 2019-2020 year. The County increased fund balance by \$1,855,068, the issuance of debt in the amount of \$1,735,000 allowed the County to spread the costs of capital assets over a five year period. The decrease in the deficit is reflected below:

- The deferral of school projects to 2019-2020 by \$1.4 million

### Pasquotank County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,461,236	\$ 6,795,250	\$ 11,324,654	\$ 10,882,455	\$ 18,785,890	\$ 17,677,705
Operating grants and contributions	7,173,501	7,423,181	219,372	249,495	7,392,873	7,672,676
Capital grants and contributions	40,000	40,000	167,000		207,000	40,000
General revenues:						
Property taxes	25,636,964	25,716,094			25,636,964	25,716,094
Other taxes	11,287,429	10,149,008			11,287,429	10,149,008
Other general revenues	796,211	779,480	355,130	183,969	1,151,341	963,449
Total revenues	52,395,341	50,903,013	12,066,156	11,315,919	64,461,497	62,218,932
Expenses:						
General government	4,932,781	4,823,243			4,932,781	4,823,243
Public safety	15,012,070	14,694,971			15,012,070	14,694,971
Environmental protection	5,885	4,075			5,885	
Economic and physical development	2,735,419	2,955,056			2,735,419	2,955,056
Human services	8,288,700	7,931,107			8,288,700	7,931,107
Cultural and recreational	1,976,225	1,861,477			1,976,225	1,861,477
Education	15,446,494	14,407,691			15,446,494	14,407,691
Interest on long-term debt	1,290,935	1,413,622			1,290,935	1,413,622
Water system			5,704,690	5,499,936	5,704,690	5,499,936
Landfill operations			4,848,660	4,576,940	4,848,660	4,576,940
Total expenses	49,688,509	48,091,242	10,553,350	10,076,876	60,241,859	58,164,043
Increase in net position before transfers	2,706,832	2,811,771	1,512,806	1,239,043	4,219,638	4,054,889
Transfers in (out)	100,000	100,000	(100,000)	(100,000)		
Increase (decrease) in net position	2,806,832	2,911,771	1,412,806	1,139,043	4,219,638	4,050,814
Net position July 1	(411,552)	(3,323,323)	26,770,250	25,631,207	26,358,698	22,307,884
Net position June 30	\$ 2,395,280	\$ (411,552)	\$ 28,183,056	\$ 26,770,250	\$ 30,578,336	\$ 26,358,698

**Governmental activities:** Governmental activities increased the County's net position by \$2,806,832. Key elements of this increase are as follows:

- The collection of current year taxes came in approximately \$235,000 more than anticipated
- School capital projects in the amount of \$1.4 million were deferred to 2019-2020
- Land transfer tax collections came in higher than anticipated by approximately \$466,000

**Business-type activities:** Business-type activities increased the County's net position by \$1,412,806 as compared to an increase of \$1,139,043 in the prior year. The difference between the two years of \$273,763 can be attributed to the following:

- The Water System was responsible for the majority of the increase due to increase in revenue from the sale of water by approximately \$440,000.

- The rising interest rates on invested funds increased the amount of interest earnings
- Interest expense was reduced this year by approximately \$25,000 as compared to last year

### **Financial Analysis of the County's Funds**

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

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

The general fund is the chief operating fund of the County. At the end of the current fiscal year, Pasquotank County's fund balance available in the General Fund was \$9,559,897 while total fund balance increased to \$16,797,994 from \$14,942,926 at June 30, 2019. The County currently has an available fund balance of approximately 18.76 percent of total General Fund expenses, while total fund balance represents approximately 33 percent of that same amount.

At June 30, 2019, the governmental funds of the County reported a combined fund balance of \$17,224,490, an approximate 11 percent increase from last year. The primary reason for this increase is due to the school system's capital expenses in the amount of \$1.4 million deferred until the 2019-2020 budget year.

**General Fund Budgetary Highlights:** 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. Total amendments to the General Fund increased revenues and expenditures by \$2,997,075 or approximately 6%. The increase is a result of funds in the amount of \$391,000 received from Perquimans and Camden counties, \$749,503 for school capital rolled over from the 2017-2018 year, and \$1,020,075 in grants received.

**Proprietary Funds:** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Landfill Fund is \$2,300,500 at the end of the fiscal year and for the Water System Fund equaled \$11,858,786. The increase in net position for the Landfill Fund was \$206,732. The increase in net position in the Water System Fund was \$1,206,074.

### **Capital Asset and Debt Administration**

**Capital assets:** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$63,299,247 (net of accumulated depreciation) a decrease of \$2,491,462 from last year. These assets include construction in progress, land, buildings, automotive equipment, office and other equipment, and water and sewer lines. The net decrease is a result of assets added was less than annual depreciation. Additional information on the County's capital assets can be found in Note 3 pages 45 – 46.



## Pasquotank County's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 5,646,249	\$ 5,646,249	\$ 1,247,627	\$ 1,247,627	\$ 6,893,876	\$ 6,893,876
Buildings	29,000,834	30,583,558	10,652,443	10,877,302	39,653,277	41,460,860
Transfer station			57,798	58,901	57,798	58,901
Infrastructure	1,256,391	1,382,447	11,724,834	12,445,354	12,981,225	13,827,801
Furniture and fixtures	603,717	507,227			603,717	507,227
Machinery and equipment			172,293	155,676	172,293	155,676
Vehicles and motorized equipment	2,107,580	2,059,830	256,575	264,753	2,364,155	2,324,583
Construction in progress	504,786	368,554	68,120	193,231	572,906	561,785
Total net capital assets	\$ 39,119,557	\$ 40,547,865	\$ 24,179,690	\$ 25,242,844	\$ 63,299,247	\$ 65,790,709

Additional information on the County's capital assets can be found in Note 3 of the Basic Financial Statements.

**Long-term Debt:** As of June 30, 2019, the County has \$45,683,069 in outstanding debt that is related to the construction of a reverse osmosis water treatment facility, capital improvements, construction of a new library and public safety building, construction of a new jail, and additional schools built on behalf of the Elizabeth City-Pasquotank School Board. The County has several installment notes outstanding. A summary of total long-term debt is shown in below:

### Revenue Bonds, Installment Notes Payable, Certificates of Participation, and Qualified School Construction Bonds

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$	\$	\$ 10,155,920	\$ 10,968,146	\$ 10,155,920	\$ 10,968,146
Direct borrowing installment purchase	26,265,587	27,153,898		11,853	26,265,587	27,165,751
Certificates of Participation	1,545,000	3,005,000			1,545,000	3,005,000
Qualified School Construction Bonds	1,066,667	1,200,000			1,066,667	1,200,000
Advance Refundings	6,649,895	7,509,582			6,649,895	7,509,582
	\$ 35,527,149	\$ 38,868,480	\$ 10,155,920	\$ 10,979,999	\$ 45,683,069	\$ 49,848,479

During the past fiscal year the County's total debt decreased by \$4,164,410 or 8.36%. The County issued \$1,735,000 in new debt in the 2018-2019 year. The new debt was to finance to replace the HVAC at Northside Elementary for the Elizabeth City-Pasquotank Public Schools \$1,300,000 and \$435,000 for the purchase of a new ambulance, a building inspector vehicle, and patrol cars.

The County has been assigned a rating of "80" with the North Carolina Municipal Bond Council, Inc. and a rating of "A" from Standard & Poor's rating service.

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 the County is \$229,617,235. Additional information regarding the County's long-term debt can be found in Note 3 on pages 62 - 67 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate in the County was at 5.1% on June 30, 2019, compared with a national rate of 3.6% and a State rate of 4.3%.
- Hockmeyer Equipment Corporation announced a 35,000 square foot expansion to their existing facilities. The expansion will cost approximately \$6 million and create 90 new jobs.
- Telephonics Corporation announced the company will invest \$5.5 million in a new facility and create 75 new jobs.
- An Aldi Supermarket was completed.

## **Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** The County has approved a \$48.9 million general fund budget for fiscal year 2020 which represents an increase of \$751,094 or approximately 1.6% more over fiscal year 2019. The County's tax rate for the 2019-2020 budget year remains at \$.77 per \$100. The valuation is projected to be \$3,309,808,995, an increase in the tax base of approximately \$17,003,980. The County kept the school current expense budget the same at \$11,364,000 and decreased the capital budget by \$475,000. The decrease in capital funding for the school system is in anticipation of rolling over approximately \$1.4 million in unspent funds from the 2018-2019 fiscal year. College of the Albemarle's current expense budget increased \$75,000 over the 2018-2019 allocation to \$1,735,000 and \$700,000 was appropriated for capital projects, an increase of \$200,000.

**Business – type Activities:** The Landfill Fund's budget includes plans to upgrade and improve several convenience sites, as well as to purchase several vehicles and pieces of equipment. The Water System's budget includes the purchase of a backhoe, a continuation of implementing remote read meters and various improvements to the system.

## **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Pasquotank County, 206 East Main Street, P.O. Box 529, Elizabeth City, NC 27907.

## **BASIC FINANCIAL STATEMENTS**

**Pasquotank County, North Carolina**
**Statement of Net Position**

June 30, 2019

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Albemarle Hospital Authority	EC-PC
					Tourism Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,161,395	\$ 13,523,638	\$ 26,685,033	\$ 728,345	\$ 814,160
Receivables (net)	3,184,065	1,283,040	4,467,105		
Other receivables	4,119,965	115,858	4,235,823		81,627
Inventories		50,163	50,163		
Prepaid items	10,439		10,439		2,305
Restricted cash and cash equivalents	1,225,038	1,602,507	2,827,545		
Prepaid insurance on debt issuance	10,625		10,625		
Prepaid trustee fees on debt issuance		7,863	7,863		
Other assets		367,747	367,747		
Net pension asset-register of deeds	66,633		66,633		
Capital assets:					
Land, improvements, and construction in progress	6,151,035	1,315,747	7,466,782		
Other capital assets, net of depreciation	32,968,522	22,863,943	55,832,465		42,253
Total capital assets	39,119,557	24,179,690	63,299,247	-	42,253
Total assets	60,897,717	41,130,506	102,028,223	728,345	940,345
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan-LGERS	3,292,079	371,584	3,663,663		44,227
Pension plan-LEOSSA	161,397		161,397		
Pension plan-register of deeds	19,334		19,334		
Other post employment benefits	176,411	45,583	221,994		
Unamortized bond refunding difference	109,175		109,175		
Total deferred outflows of resources	3,758,396	417,167	4,175,563	-	44,227
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	730,832	215,109	945,941	5,202	7,261
Other liabilities	412,182		412,182	188,928	
Liabilities to be paid from restricted assets		77,115	77,115		
Accrued interest	354,093	89,019	443,112		
Prepaid rents	892,439		892,439		
Prepaid health services	300,000		300,000		
Note receivable-City of Elizabeth City		367,747	367,747		
Long-term liabilities:					
Due within one year	5,366,317	836,693	6,203,010		
Due in more than one year	30,326,602	9,319,227	39,645,829		
Compensated absences	825,219	103,345	928,564		7,507
Other post employment benefits	15,384,876	1,674,901	17,059,777		
Net pension liability-LGERS	4,011,431	435,524	4,446,955		51,954
Total pension liability-LEOSSA	1,116,923		1,116,923		
Total liabilities	59,720,914	13,118,680	72,839,594	194,130	66,722
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Prepaid Taxes	123,743		123,743		
Other post employment benefits	2,193,138	243,682	2,436,820		
Pension plan-register of deeds	3,353		3,353		
Pension plan-LEOSSA	119,626		119,626		
Pension plan-LGERS	100,059	2,255	102,314		269
Total deferred inflows of resources	2,539,919	245,937	2,785,856	-	269
<b>NET POSITION</b>					
Net investment in capital assets	18,396,347	14,023,770	32,420,117		42,253
Restricted for:					
Stabilization by State Statute	5,439,527		5,439,527		81,627
Register of deeds	10,586		10,586		
Unspent debt proceeds	515,869		515,869		
Law enforcement	68,901		68,901		
Emergency telephone system	232,311		232,311		
Unrestricted (deficit)	(22,268,261)	14,159,286	(8,108,975)	534,215	793,701
Total net position	\$ 2,395,280	\$ 28,183,056	\$ 30,578,336	\$ 534,215	\$ 917,581

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

**Pasquotank County, North Carolina**

Statement of Activities

For the Year Ended June 30, 2019

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Albemarle Hospital Authority	EC-PC Tourism Development Authority
Primary government:									
Governmental Activities:									
General government	\$ 4,932,781	\$ 1,910,745	\$ -		\$ (3,022,036)	\$	\$ (3,022,036)		
Public safety	15,012,070	5,471,673	1,581,421		(7,958,976)		(7,958,976)		
Environmental protection	5,885	6,499	46,554		47,168		47,168		
Economic and physical development	2,735,419	12,097	713,961		(2,009,361)		(2,009,361)		
Human services	8,288,700	38,575	4,333,465		(3,916,660)		(3,916,660)		
Cultural and recreation	1,976,225	21,647	92,650	40,000	(1,821,928)		(1,821,928)		
Education	15,446,494		405,450		(15,041,044)		(15,041,044)		
Interest on long-term debt	1,290,935				(1,290,935)		(1,290,935)		
Total governmental activities	49,688,509	7,461,236	7,173,501	40,000	(35,013,772)	-	(35,013,772)		
Business-type activities:									
Landfill	4,848,660	5,000,974	96,789			249,103	249,103		
Water and Sewer	5,704,690	6,323,680	122,583	167,000		908,573	908,573		
Total business-type activities	10,553,350	11,324,654	219,372	167,000	-	1,157,676	1,157,676		
	\$ 60,241,859	\$ 18,785,890	\$ 7,392,873	\$ 207,000	(35,013,772)	1,157,676	(33,856,096)		
Component unit:									
Albemarle Hospital	\$ 47,040	\$ -	\$ -	\$ -			\$ (47,040)	\$ -	
EC-PC Tourism Development Authority	589,588	4,796							(614,999)
Total component units	\$ 636,628	\$ 4,796	\$ -	\$ -			(47,040)		(614,999)
General revenues:									
Taxes:									
Property taxes, levied for general purpose					25,636,964		25,636,964		
Local option sales tax					9,456,911		9,456,911		
Other taxes and licenses					1,830,518		1,830,518		702,192
Investment earnings, unrestricted					317,233	305,394	622,627	400	6,025
Unrestricted intergovernmental					104,569		104,569		
Miscellaneous, unrestricted					374,409	49,736	424,145		3,154
Total general revenues, excluding transfers					37,720,604	355,130	38,075,734	400	711,371
Transfers					100,000	(100,000)	-		
Total general revenues and transfers					37,820,604	255,130	38,075,734	400	711,371
Change in net position					2,806,832	1,412,806	4,219,638	(46,640)	96,372
Net position--beginning					(411,552)	26,770,250	26,358,698	580,855	821,209
Net position--ending					\$ 2,395,280	\$ 28,183,056	\$ 30,578,336	\$ 534,215	\$ 917,581

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

**Pasquotank County, North Carolina**

Balance Sheet  
 Governmental Funds  
 June 30, 2019

Exhibit 3  
 Page 1 of 2

	Major	Non-Major	Total
	General	Other Governmental Funds	Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,818,840	\$ 342,555	\$ 13,161,395
Receivables (net):			
Taxes	1,646,580		1,646,580
Assessments		640	640
Other	3,818,045	94,269	3,912,314
Emergency medical services	1,166,849		1,166,849
Sales taxes	207,651	-	207,651
Restricted cash and cash equivalents	1,225,038		1,225,038
Prepaid items	10,439		10,439
Total assets	<u>\$ 20,893,442</u>	<u>\$ 437,464</u>	<u>\$ 21,330,906</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 720,519	\$ 10,313	\$ 730,832
Prepaid revenues	1,192,439		1,192,439
Miscellaneous liabilities	412,182		412,182
Total liabilities	<u>2,325,140</u>	<u>10,313</u>	<u>2,335,453</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	123,728	15	123,743
Unavailable taxes receivable	1,646,580		1,646,580
Unavailable assessments receivable		640	640
Total deferred inflows of resources	<u>1,770,308</u>	<u>655</u>	<u>1,770,963</u>
Fund balances:			
Nonspendable:			
Prepaid items	10,439		10,439
Restricted:			
Stabilization by State statute	5,345,258	94,269	5,439,527
Register of deeds	10,586		10,586
Unspent debt proceeds	515,869		515,869
Law enforcement		68,901	68,901
Emergency telephone system		232,311	232,311
Committed:			
Tax Revaluation	219,268		219,268
School capital needs	436,677		436,677
Drainage		17,259	17,259
Library		13,756	13,756
Assigned:			
Subsequent year's expenditures	700,000		700,000
Unassigned:	9,559,897		9,559,897
Total fund balances	<u>16,797,994</u>	<u>426,496</u>	<u>17,224,490</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,893,442</u>	<u>\$ 437,464</u>	

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

(continued)

**Pasquotank County, North Carolina**

Balance Sheet  
Governmental Funds  
June 30, 2019

Exhibit 3  
Page 2 of 2

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

Total fund balance, Governmental funds	17,224,490
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	39,119,557
Other long-term assets are not available to pay current-period expenditures and therefore are unavailable in the funds.	380,621
Net pension asset	66,633
Deferred outflows of resources related to pensions are not reported in the funds	3,311,413
Deferred outflows of resources related to LEOSA are not reported in the funds	161,397
Deferred outflows of resources related to OPEB are not reported in the funds	176,411
Difference related to advance refunding	109,175
Net pension liability	(4,011,431)
Net OPEB liability	(15,384,876)
Total pension liability	(1,116,923)
Deferred inflows of resources for taxes and special assessments receivable	1,647,220
Deferred inflows of resources related to pensions are not reported in the funds	(223,038)
Deferred inflows of resources related to OPEB are not reported in the funds	(2,193,138)
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(36,872,231)
Net position of governmental activities	<u>\$ 2,395,280</u>

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

**Pasquotank County, North Carolina**

Exhibit 4

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Governmental Funds

For the Year Ended June 30, 2019

	Major	Non-Major	Total
	General Fund	Other Governmental Funds	Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 25,544,139	\$ -	\$ 25,544,139
Assessments		4,935	4,935
Local option sales taxes	9,456,911		9,456,911
Other taxes and licenses	1,838,634		1,838,634
Unrestricted intergovernmental	102,293		102,293
Restricted intergovernmental	5,364,802	649,101	6,013,903
Restricted other	490,000	708,693	1,198,693
Permits and fees	404,548		404,548
Sales and services	5,254,084		5,254,084
Investment earnings	310,199	7,034	317,233
Miscellaneous	2,205,009	2,793	2,207,802
Total revenues	50,970,619	1,372,556	52,343,175
<b>EXPENDITURES</b>			
Current:			
General government	4,047,832		4,047,832
Public safety	12,764,209	220,279	12,984,488
Environmental protection		5,885	5,885
Economic and physical development	1,925,895	697,858	2,623,753
Human services	7,835,587		7,835,587
Cultural and recreational	1,790,057	6,420	1,796,477
Intergovernmental:			
Education	15,440,712		15,440,712
Capital outlay	751,817	575,026	1,326,843
Debt service:			
Principal	5,076,331		5,076,331
Interest and other charges	1,318,111		1,318,111
Total expenditures	50,950,551	1,505,468	52,456,019
Excess (deficiency) of revenues over expenditures	20,068	(132,912)	(112,844)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in (out)	100,000		100,000
Issuance of debt	1,735,000		1,735,000
Total other financing sources and (uses)	1,835,000		1,835,000
Net change in fund balance	1,855,068	(132,912)	1,722,156
Fund balances-beginning	14,942,926	559,408	15,502,334
Fund balances-ending	\$ 16,797,994	\$ 426,496	\$ 17,224,490

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



**Pasquotank County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances in Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2019**

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

Net changes in fund balances - total governmental funds	\$ 1,722,156
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period	(1,387,510)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(40,798)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	923,719
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	37,261
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	176,411
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	92,964
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.	3,337,682
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.	<u>(2,055,053)</u>
Total changes in net position of governmental activities	<u><u>\$ 2,806,832</u></u>

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

**Pasquotank County, North Carolina**

Exhibit 5

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 25,295,100	\$ 25,327,200	\$ 25,544,139	\$ 216,939
Local option sales tax	8,643,413	8,943,413	9,456,911	513,498
Other taxes and licenses	1,292,000	1,302,000	1,838,634	536,634
Unrestricted intergovernmental	99,000	99,000	102,293	3,293
Restricted intergovernmental	5,189,530	6,884,572	5,364,802	(1,519,770)
Restricted other	490,000	490,000	490,000	
Permits and fees	382,500	393,270	404,548	11,278
Sales and services	4,916,955	5,250,237	5,254,084	3,847
Investment earnings	120,400	228,874	310,199	81,325
Miscellaneous	1,885,756	2,393,163	2,205,009	(188,154)
Total revenues	<u>48,314,654</u>	<u>51,311,729</u>	<u>50,970,619</u>	<u>(341,110)</u>
Expenditures				
Current:				
General government	4,251,889	5,616,883	4,136,334	1,480,549
Public safety	13,609,606	14,092,530	13,427,524	665,006
Economic and physical development	1,986,272	1,993,983	1,925,895	68,088
Human services	8,015,482	8,211,005	7,835,587	375,418
Cultural and recreational	1,821,782	1,822,532	1,790,057	32,475
Intergovernmental:				
Education	16,124,000	16,873,503	15,440,712	1,432,791
Reserve funds	1,315,050	1,507,513		1,507,513
Debt service:				
Principal retirement	5,076,331	5,076,331	5,076,331	
Interest and other charges	926,368	1,318,111	1,318,111	
Total expenditures	<u>53,126,780</u>	<u>56,512,391</u>	<u>50,950,551</u>	<u>5,561,840</u>
Revenues over (under) expenditures	<u>(4,812,126)</u>	<u>(5,200,662)</u>	<u>20,068</u>	<u>5,220,730</u>
Other financing sources (uses):				
Issuance of debt	2,891,845	2,435,135	1,735,000	(700,135)
Transfer in (out)	100,000	100,000	100,000	
Fund balance appropriated	1,820,281	2,665,527		(2,665,527)
Total other financing sources (uses)	<u>4,812,126</u>	<u>5,200,662</u>	<u>1,835,000</u>	<u>(3,365,662)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,855,068</u>	<u>\$ 1,855,068</u>
Fund balances:				
Fund balance, beginning			14,942,926	
Fund balance, ending (Exhibit 4)			<u>\$ 16,797,994</u>	

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

**Pasquotank County, North Carolina**

Exhibit 6

Statement of Net Position

Proprietary Funds

June 30, 2019

	<b>Enterprise Funds</b>		
	<b>Landfill Fund</b>	<b>Water System</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,571,351	\$ 10,952,287	\$ 13,523,638
Accounts receivables, net	650,425	632,615	1,283,040
Other receivables	25,708	90,150	115,858
Cash reserve-current year debt payment		389,036	389,036
Prepaid trustee fees on debt issuance		7,863	7,863
Cash reserve-customer deposits	1,625	75,490	77,115
Inventories	25,640	24,523	50,163
Total current assets	3,274,749	12,171,964	15,446,713
Noncurrent assets:			
Cash-Debt service reserve-trustee		1,136,356	1,136,356
Note receivable-City of Elizabeth City		367,747	367,747
Capital assets:			
Land, improvements, and construction in	483,168	832,579	1,315,747
Other capital assets, net of depreciation	929,569	21,934,374	22,863,943
Total capital assets	1,412,737	22,766,953	24,179,690
Total noncurrent assets	1,412,737	24,271,056	25,683,793
Total assets	4,687,486	36,443,020	41,130,506
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension plan-LGERS	155,887	215,697	371,584
Other post employment benefits	8,018	37,565	45,583
Total deferred outflows of resources	163,905	253,262	417,167
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	187,888	27,221	215,109
Liabilities payable from restricted assets:			
Customer deposits	1,625	75,490	77,115
Accrued interest payable		89,019	89,019
Compensated absences, current	16,300	34,300	50,600
Current portion, long-term debt		836,693	836,693
Total current liabilities	205,813	1,062,723	1,268,536
Noncurrent liabilities:			
Compensated absences	28,850	23,895	52,745
Net pension liability	182,711	252,813	435,524
Other post employment benefits liability	627,203	1,047,698	1,674,901
Note receivable-City of Elizabeth City		367,747	367,747
Noncurrent portion, long-term debt		9,319,227	9,319,227
Total noncurrent liabilities	838,764	11,011,380	11,850,144
Total liabilities	1,044,577	12,074,103	13,118,680
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Other post employment benefits	92,631	151,051	243,682
Pension plan-LGERS	946	1,309	2,255
Total deferred inflows of resources	93,577	152,360	245,937
<b>NET POSITION</b>			
Net investment in capital assets	1,412,737	12,611,033	14,023,770
Unrestricted	2,300,500	11,858,786	14,159,286
Total net position	\$ 3,713,237	\$ 24,469,819	\$ 28,183,056

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

**Pasquotank County, North Carolina**

Exhibit 7

## Statement of Revenues, Expenses, and Changes in Fund Net Position

## Proprietary Funds

For the Year Ended June 30, 2019

	Enterprise Funds		
	Landfill Fund	Water System Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,397,779	\$ 4,186,460	\$ 6,584,239
Water sales-reverse osmosis plant		1,943,810	1,943,810
Solid waste fees	2,501,006		2,501,006
Service fees and penalties	40,920	108,080	149,000
Other operating revenue	61,269	85,330	146,599
Total operating revenues	5,000,974	6,323,680	11,324,654
<b>OPERATING EXPENSES</b>			
Water plant operations		2,943,800	2,943,800
Reverse osmosis plant operations		821,444	821,444
Waste water treatment plant operations		120,513	120,513
Professional services		60,240	60,240
Administrative services		200,715	200,715
Depreciation and amortization	151,220	1,210,934	1,362,154
Transfer station	91,671		91,671
Landfill operations	2,548,511		2,548,511
Convenience sites	2,020,006		2,020,006
Total operating expenses	4,811,408	5,357,646	10,169,054
Operating income (loss)	189,566	966,034	1,155,600
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State grants	20,667		20,667
N C Department of Revenue:			
Tire disposal fee tax	55,432		55,432
White goods disposal fee tax			-
Solid waste disposal tax	20,690		20,690
Payment from the City of Elizabeth City		122,583	122,583
System development fees		167,000	167,000
Trustee fees		(2,858)	(2,858)
Sale of assets	1,500	3,846	5,346
Insurance proceeds		2,650	2,650
Tower rental fees		41,740	41,740
Other post employment benefits	(29,492)	(18,699)	(48,191)
Net pension costs	(7,670)	(10,685)	(18,355)
Interest paid on long-term debt	(90)	(314,802)	(314,892)
Interest and investment revenue	56,129	249,265	305,394
Total nonoperating revenue (expenses)	117,166	240,040	357,206
Income before transfers	306,732	1,206,074	1,512,806
Transfers (to) from other funds	(100,000)		(100,000)
Change in net position	206,732	1,206,074	1,412,806
Total net position - beginning	3,506,505	23,263,745	26,770,250
Total net position - ending	\$ 3,713,237	\$ 24,469,819	\$ 28,183,056

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

**Pasquotank County, North Carolina**

Exhibit 8

## Statement of Cash Flows

## Proprietary Funds

For The Year Ended June 30, 2019

	Landfill Fund	Water System	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 2,387,498	\$ 5,924,315	\$ 8,311,813
Cash received from solid waste fees	2,463,716		2,463,716
Cash paid for goods and services	(3,646,617)	(2,968,406)	(6,615,023)
Cash paid to employees for services	(966,440)	(1,182,236)	(2,148,676)
Customer deposits (net)		2,290	2,290
Other operating revenue	101,099	114,292	215,391
Net cash provided by (used by) operating activities	339,256	1,890,255	2,229,511
<b>Cash flows from noncapital financing activities</b>			
Proceeds from State grants-operating	15,667		15,667
Proceeds from City		122,583	122,583
Insurance proceeds		2,650	2,650
N C Department of Revenue:			
Proceeds for tire disposal tax	55,443		55,443
Proceeds for solid waste disposal tax	19,498		19,498
Transfer out to capital reserve	(100,000)		(100,000)
Net cash provided by (used by) noncapital financing activities	(9,392)	125,233	115,841
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(187,474)	(110,676)	(298,150)
Sale of assets	1,500	3,846	5,346
Trustee fees		(2,859)	(2,859)
System development fees		167,000	167,000
Principal paid on bonds		(812,226)	(812,226)
Interest paid on bonds		(321,921)	(321,921)
Principal paid on installment purchase contracts	(11,853)		(11,853)
Interest paid on installment purchase contracts	(126)		(126)
Proceeds from tower rental		41,740	41,740
Net cash provided by (used by) capital and related financing activities	(197,953)	(1,035,096)	(1,233,049)
<b>Cash flows from investing activities:</b>			
Interest on investments	43,143	252,943	296,086
Net cash used by investing activities	43,143	252,943	296,086
<b>Net increase (decrease) in cash and cash equivalents</b>	175,054	1,233,335	1,408,389
Cash and cash equivalents, July 1	2,397,922	11,319,834	13,717,756
Cash and cash equivalents, June 30	\$ 2,572,976	\$ 12,553,169	\$ 15,126,145
(Landfill includes reserves of \$1,625)			
(Water System includes cash reserves of \$389,036, \$75,490 and \$1,136,356)			

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

(continued)

**Pasquotank County, North Carolina**

## Statement of Cash Flows

## Proprietary Funds

For The Year Ended June 30, 2019

Exhibit 8  
(continued)

	Landfill Fund	Water System	Total
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating (loss) income	\$ 189,566	\$ 966,034	\$ 1,155,600
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	151,220	1,210,084	1,361,304
Amortization		850	850
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in accounts receivable	(10,279)	(205,986)	(216,265)
(Increase) decrease in other receivables	(38,382)	(79,118)	(117,500)
(Increase) decrease in inventory		(2,560)	(2,560)
Increase (decrease) in accounts payable and accrued liabilities	39,903	(4,785)	35,118
Increase (decrease) in customer deposits		2,290	2,290
Increase (decrease) in accrued vacation pay	7,228	3,446	10,674
Total adjustments	149,690	924,221	1,073,911
Net cash provided by (used by) operating activities	\$ 339,256	\$ 1,890,255	\$ 2,229,511

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

**Pasquotank County, North Carolina**

Exhibit 9

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2019

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	Agency Fund
	<hr/>
<b>Assets</b>	
Cash and cash equivalents	\$ 60,861
	<hr/>
 <b>Liabilities and Net Position</b>	
Liabilities:	
Miscellaneous liabilities	\$ 9,852
Intergovernmental payable	50,217
Due to Health Department	<hr/> 792
Total liabilities	<hr/> 60,861
 Net position:	 \$ -
	<hr/>

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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Notes are provided in the Financial Section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the summary of Significant Accounting Policies for the County and other necessary disclosure of important matters relating to the financial position of the County. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

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## **PASQUOTANK COUNTY, NORTH CAROLINA**

### **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

#### **Note 1 - Summary of Significant Accounting Policies**

The accounting policies of Pasquotank 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 units, legally-separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The discretely presented component units presented below are reported in a separate column in the County's combined financial statements.

##### **Albemarle Hospital**

Albemarle Hospital (the "Hospital") was a County-owned public hospital located in Elizabeth City, North Carolina through September 27, 2000. Effective September 28, 2000, the Hospital became a public authority (Albemarle Hospital Authority) established under North Carolina general statutes. The real estate and equipment used by the Hospital were leased to the Authority by Pasquotank County for a term of fifteen years. The Authority, through the operations of the Hospital, provides medical facilities, inpatient and outpatient services to the residents of Pasquotank County and surrounding counties. The Authority's commissioners are appointed by the County's Board of Commissioners. The County does not have the authority to designate the management of the Hospital, nor does it have the authority to review or approve the Hospital's budget. Contracting authority rests with the Authority board. The County does not control the collection or disbursement of Hospital funds. A significant financing arrangement exists between the Hospital and the County; in which the County owns all of the real estate and equipment used by the Hospital (see Note 4). The Hospital is presented at September 30, 2018, as if it were a proprietary fund.

Effective March 1, 2014, the Albemarle Hospital Authority entered into a long-term lease agreement, as well as associated ancillary agreements (collectively, the "Lease Agreement"), with Sentara Healthcare ("Sentara") and a wholly owned subsidiary of Sentara, Sentara Albemarle Regional Medical Center ("SARMC"). Pursuant to the Lease Agreement, as of March 1, 2014, the Authority transferred all operating rights, obligations and benefits associated with the Authority's facilities, clinics and operations, as well as certain assets and liabilities associated with the Authority, to SARMC, all subject to the terms of the related transactional documents. Consequently, as of March 1, 2014, the Authority is no longer the operator of the health system known as "Albemarle Health".

As part of the transfer of the Authority's lease of facilities to Sentara Albemarle Regional Medical Center (SARMC) \$7,697,490 was transferred to SunTrust as trustee for an escrow account for the purpose of insuring that funds are available to pay certain liabilities of the health system and amounts owed to landlords. The balance in this account at June 30, 2019 is \$8,016,702.

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

Albemarle Hospital Authority  
P O Box 39  
Elizabeth City, North Carolina 27907

#### **Elizabeth City-Pasquotank County Tourism Development Authority**

The Elizabeth City-Pasquotank County Tourism Development Authority (TDA) is governed by a ten member board and was established in North Carolina under the North Carolina General Statutes. Under the Statutes the TDA receives room occupancy taxes which are levied on gross receipts derived from the rental of any room, lodging or similar accommodation furnished by a hotel, motel or similar establishment from Pasquotank County. The TDA was formed to promote travel and tourism in Elizabeth City and Pasquotank County and to sponsor tourism related events and activities in the same area. The TDA's Board is made up of elected officials appointed by the City and County and individuals affiliated in tourism related businesses.

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

Elizabeth City-Pasquotank County Tourism Development Authority  
501 S. Water Street  
Elizabeth City, NC 27909

#### **Pasquotank County Industrial Facilities and Pollution Control Financing Authority**

Pasquotank County Industrial Facilities and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

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

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 fund:

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

The County reports the following major enterprise funds:

*Landfill Fund.* This fund accounts for the operations of the County's transfer station, recycling and solid waste activities. The Landfill no longer accepts municipal solid waste. Municipal solid waste is brought to the transfer station, where it is hauled to an outside landfill in another county.

*Water System Fund.* This fund is used to account for the operations of the County's water operations. A Water and Sewer Capital Reserve Fund was established by the County in July, 2018. The Water and Sewer Capital Reserve Fund is a legally budget funds under North Carolina General Statutes; however, for statement presentation it is consolidated in the Water Fund. This fund records the system development fees (SDFs) collected.

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 moneys deposited with the Department of Social Services for the benefit of certain individuals; the City Tax Collection Fund, which accounts for funds that are billed and collected by the County for the City of Elizabeth City but are not revenues to the County; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Elizabeth City-Pasquotank Board of Education; the Health Department Fund, which accounts for septic tank inspection fees collected by the County on behalf of the Albemarle Regional Health Services; and the Deed of Trust Fee Fund which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

*Nonmajor Funds.* The County maintains six legally budgeted funds. The Emergency Telephone System Fund, the Seized Asset Fund, the Library Reserve Fund, the Drainage Districts Fund, the Friends of the Library Fund, and the Occupancy Tax Fund are reported as nonmajor special revenue funds.

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is 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. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all enterprise funds and governmental funds except the Seized Asset Fund (special revenue funds). All annual appropriations lapse at fiscal year-end. A project ordinance is adopted for the Seized Asset Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the general fund, special revenue, and enterprise funds, and at the project level for the capital project funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a capital project fund or to the General Fund for debt service in accordance with the annual ordinance adopted for the reserve fund. The County Manager is authorized to transfer appropriations within a department; however, any revisions that alter the total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

All deposits of the County, the TDA, and the Hospital are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the TDA, and the Hospital may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the TDA, and the Hospital 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, the TDA, and the Hospital 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).

#### **2. Cash and Cash Equivalents**

The County pools moneys from several funds into a central depository account to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalent. The County also owns cash and investments in individual funds. The Hospital considers demand deposits and investments which are not limited as to use purchased with an original maturity of three months or less, to be cash and cash equivalents.

### 3. Restricted Assets and Assets Limited as to Use

The unexpended loan proceeds and the debt service reserve of the General Fund are classified as restricted assets because their use is restricted by the trustee. The required accumulated debt service reserves of the Water System Fund are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued and by the bond covenants of the bond issue. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

#### Pasquotank County Restricted Cash

##### Governmental Activities

###### General Fund:

Debt service reserve	\$ 489,901
Unspent debt proceeds	515,869
Tax revaluation	219,268
Total Governmental Activities	<u>\$ 1,225,038</u>

##### Business-Type Activities

###### Water System:

Debt service reserve-current	\$ 389,036
Debt service reserve-per bond covenant	1,136,356
Customer deposits	75,490

###### Landfill Fund:

Customer deposits	1,625
Total Business-type Activities	<u>\$ 1,602,507</u>

Total Restricted Cash \$ 2,827,545

### 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, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

### 5. Allowances for Doubtful Accounts

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

### 6. Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market. Inventories are not maintained in the governmental funds of the County. The governmental funds recognize material and supplies as expenditures at the time of purchase. The inventory of the County's enterprise funds consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds is recorded as an expense as it is consumed.

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

Prepaid items for the County's governmental funds are treated using the consumption method.

#### 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. Minimum capitalization threshold is \$5,000. 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 Elizabeth City-Pasquotank County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education after all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Elizabeth City-Pasquotank County Board of Education.

Capital assets and the related accumulated depreciation are reported for the County using the straight-line method as follows:

	<u>Useful Life</u>
Buildings	30 years
Furniture/equipment	5 years
Infrastructure (distribution lines)	50 years
Vehicles	3 - 10 years
Leasehold improvements	10 - 20 years
Computers, etc.	3 years

#### 8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding (Governmental), bond issuance costs (Business-type), pension related deferrals, and contributions made to the pension plan and other post-employment benefits (OPEB) in the current year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has two items that meets the criterion for this category – prepaid taxes and other pension and OPEB 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 on the statements 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 (30) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned. Compensated balances are reported in governmental funds only if they have matured. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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 neither entity has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

#### 11. Net Position/Fund Balances

##### **Net Position**

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

##### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid items-This item represents funds that have been spent to benefit a future period.

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

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



Restricted for register of deeds – Portion of fund balance that is restricted by revenue source to pay for computer equipment and imaging technology for the Register of Deeds office.

Restricted for unspent debt proceeds – Portion of fund balance that represents unexpended loan proceeds for designated school capital projects and vehicle purchases for County departments.

Restricted for law enforcement – Portion of fund balance that represents forfeiture money received from Federal or State agencies that must be used for law enforcement activities.

Restricted for emergency telephone system – Portion of fund balance that represents funds received from the State 911 Board for the purpose of enhancing the 911 system.

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

Committed for Tax Revaluation - Portion of fund balance that can only be used for Tax Revaluation.

Committed for drainage - Portion of fund balance that can only be used for the improvement and maintenance of the Newland drainage district.

Committed for the library - Portion of fund balance that represents funds for the use of the library to purchase books and computers.

Committed for school capital projects - Portion of fund balance that represents unspent funds received from the levy of article 46 sales tax.

Assigned Fund Balance - Portion of fund balance that the Pasquotank County governing board has budgeted.

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

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

Pasquotank 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 Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

## 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) and 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/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 are reported at fair value.

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

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

The governmental fund balance sheet includes a reconciliation between fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(14,829,210) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 79,984,391
Less accumulated depreciation	(40,864,834)
Net pension asset	66,633
Contributions to the pension plan in the current fiscal year	923,719
Benefit payments and pension administration costs for LEOSSA	37,261
Contributions to OPEB plan in the current year	176,411
Deferred charges related to the issuance of debt included in the government-wide statement of net position but are not current financial resources	119,800
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	369,996
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,647,220
Pension related deferrals	2,288,792
OPEB related deferrals	(2,193,138)
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:	
Bonds and installment financing	(35,527,149)
Premium on issuance of bonds	(165,770)
Compensated absences	(825,219)
Unfunded pension obligation	(1,116,923)
Net pension liability-LGERS	(4,011,431)
Other postemployment benefits	(15,384,876)
Accrued interest payable	(354,093)
Total adjustment	<u>\$ (14,829,210)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$1,084,676 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,326,843
Cost of disposed asset not recorded in fund statements	(40,798)
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.	(2,714,353)
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 position	(1,735,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	5,076,331
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	923,719
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.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(2,826)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	23,325
Amortization of bond issuance deferred charges	(62,085)
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	37,261
Other postemployment benefits	(667,554)
County's portion of collective pension expense	(1,231,587)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Amortization of charge related to advance refunding	58,436
Reversal of deferred inflows of resources – taxes receivable recorded at July 1, 2018	(1,923,751)
Recording of deferred inflows of resources – taxes receivable at June 30, 2019	2,016,576
Reversal of deferred assessments recorded at July 1, 2018	(501)
Recording of assessments deferred in the funds statement June 30, 2019	640
Total adjustment	<u>\$ 1,084,676</u>

## **Note 2 - Stewardship, Compliance, and Accountability**

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

#### Noncompliance with North Carolina General Statutes

There were no significant violations of finance related legal and contractual provisions at June 30, 2019.

### **B. Excess of Expenditures over Appropriations**

There were no significant violations of expenditures over appropriations at June 30, 2019.

## **Note 3 - Detail Notes on All Funds**

### **A. Assets**

#### **1. Deposits**

All of the County's, the TDA's, and the Hospital'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, the TDA's, and Hospital's agents in those unit's 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, the TDA, and the Hospital, 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, the TDA, or the Hospital or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the TDA, and the Hospital, 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, the TDA, and Hospital rely 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's Board of Commissioners has adopted a formal investment policy based on G.S.159-30, but omitting several of the investment options allowed by this statute. The TDA and the Hospital has no formal policy and therefore uses G.S. 159-30 in its entirety.

At June 30, 2019, the County's deposits had a carrying amount of \$10,524,762 and a bank balance of \$11,021,192. Of the bank balance, \$2,056,452 was covered by federal depository insurance, and the rest was covered by collateral held under the pooling method. At June 30, 2019, the County had \$2,825 cash on hand. At June 30, 2019 the Agency Funds had a carrying amount and bank balance of \$60,861. At June 30, 2019, the TDA's deposits had a carrying value of \$814,160 and a bank balance of \$826,879. Of the bank balance, \$250,000 was covered by federal depository insurance and \$576,879 was covered by collateral held under the pooling method. At September 30, 2018 the Hospital's deposits had a bank balance of \$728,345. Of the bank balance \$250,000 was covered by federal depository insurance, \$478,345 was covered by collateral under the pooling method.

## 2. Investments

As of June 30, 2019, the County's investments consisted of \$9,722,921 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's. As of June 30, 2019, the County had \$9,262,070 in the North Carolina Capital Management Trust Term Portfolio. The Term Portfolio is not rated. The weighted average maturity for the Term Portfolio is .11 years. The County has no policy on credit risk.

*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.* State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2019, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. 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 North Carolina Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the United States government and agencies, and in high grade money market instruments as permitted under G.S. 159-30 as amended.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk.

## 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,663,048	\$ 394,974	\$ 2,058,022
2017	1,690,019	249,278	1,939,297
2018	1,584,154	91,089	1,675,243
2019	<u>1,586,960</u>		<u>1,586,960</u>
	\$ <u>6,524,181</u>	\$ <u>735,341</u>	\$ <u>7,259,522</u>

#### 4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Other	Total
<b>Governmental Activities:</b>						
General	\$ 2,077,520	\$ 2,241,109	\$ -	\$ 3,693,659	\$ 331,124	\$ 8,343,412
Other governmental			640	94,107	1,075	95,822
Total Receivables	2,077,520	2,241,109	640	3,787,766	332,199	8,439,234
Allowance for Doubtful Accounts	(910,671)	(224,533)				(1,135,204)
Total Governmental Activities	\$ 1,166,849	\$ 2,016,576	\$ 640	\$ 3,787,766	\$ 332,199	\$ 7,304,030
<b>Business-type Activities:</b>						
Landfill	\$ 656,272	\$	\$	\$ 25,556	\$ 152	\$ 681,980
Water System	746,091			86,587	3,563	836,241
Total Receivables	1,402,363			112,143	3,715	1,518,221
Allowance for Doubtful Accounts	(119,323)					(119,323)
Total Business-type Activities	\$ 1,283,040	\$	\$	\$ 112,143	\$ 3,715	\$ 1,398,898

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

	Governmental	Business-type
Local option sales tax	\$2,626,075	\$ -
City of Elizabeth City	10,744	11,507
Camden County	3,504	
State of North Carolina:		
Department of Transportation	228,092	75,555
Department of Administration		463
Department of Public Instruction	113,300	
Department of Environmental Quality		5,000
Department of Revenue	37,296	
Department of Agriculture and Consumer Services	14,284	
Department of Health and Human Services	660,364	
Information Technology Service	94,107	
Solid Waste Disposal Tax		5,134
Scrap Tire Disposal Tax		14,464
Total	<u>\$3,787,766</u>	<u>\$ 112,143</u>

## 5. Capital Assets

### Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,646,249	\$	\$	\$ 5,646,249
Construction in progress	368,554	277,264	141,032	504,786
Total assets not being depreciated	6,014,803	277,264	141,032	6,151,035
<b>Capital assets being depreciated:</b>				
Buildings	55,832,884			55,832,884
Furniture, fixtures and office equipment	7,168,468	605,689	52,073	7,722,084
Vehicles and motorized equipment	7,353,866	584,922	287,010	7,651,778
Infrastructure	2,626,610			2,626,610
Total assets being depreciated	72,981,828	1,190,611	339,083	73,833,356
Less accumulated depreciation for:				
Buildings	25,249,326	1,582,724		26,832,050
Furniture and fixtures	6,661,241	498,129	41,003	7,118,367
Vehicles and motorized equipment	5,294,036	507,444	257,282	5,544,198
Infrastructure	1,244,163	126,056		1,370,219
Total accumulated depreciated	38,448,766	\$ 2,714,353	\$ 298,285	40,864,834
Total capital assets being depreciated, net	34,533,062			32,968,522
<b>Governmental activity capital assets, net</b>	<b>\$ 40,547,865</b>			<b>\$ 39,119,557</b>

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

General government	\$718,269
Public safety	1,606,748
Economic development	80,932
Human Services	159,721
Cultural and recreational	142,901
Education	5,782
Total depreciation expense	<u>\$2,714,353</u>

Discretely presented component unit

EC-PC Tourism Development Authority:

Office equipment and furniture	\$ 15,108
Website and computer software	35,917
Kiosk	5,000
Less accumulated depreciation	<u>(13,772)</u>
Capital assets, net	<u>\$ 42,253</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Landfill</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 470,553	\$	\$	\$ 470,553
Construction in progress	193,231	2,370	182,986	12,615
Total assets not being depreciated	663,784	2,370	182,986	483,168
<b>Capital assets being depreciated:</b>				
Buildings and improvements	693,135	254,652		947,787
Transfer station	496,970			496,970
Equipment	880,449	83,612		964,061
Vehicles	1,610,090	29,826	29,827	1,610,089
Total assets being depreciated	3,680,644	368,090	29,827	4,018,907
Less accumulated depreciation for:				
Buildings and improvements	470,517	30,336		500,853
Transfer station	438,069	1,103		439,172
Equipment	701,245	46,334		747,579
Vehicles	1,358,114	73,447	29,827	1,401,734
Total accumulated depreciated	2,967,945	\$ 151,220	\$ 29,827	3,089,338
Total capital assets being depreciated, net	712,699			929,569
<b>Landfill capital assets, net</b>	<b>1,376,483</b>			<b>1,412,737</b>
<b>Water System</b>				
<b>Capital assets not being depreciated:</b>				
Land	777,074			777,074
Construction in progress		55,505		55,505
Total assets not being depreciated	777,074	55,505	-	832,579
<b>Capital assets being depreciated:</b>				
Buildings	14,881,284			14,881,284
Plant and distribution	24,794,058			24,794,058
Equipment	850,674			850,674
Vehicles	486,116	55,171	11,141	530,146
Total assets being depreciated	41,012,132	55,171	11,141	41,056,162
Less accumulated depreciation for:				
Buildings	4,226,600	449,175		4,675,775
Plant and distribution	12,348,704	720,520		13,069,224
Equipment	874,202	20,661		894,863
Vehicles	473,339	19,728	11,141	481,926
Total accumulated depreciated	17,922,845	\$ 1,210,084	\$ 11,141	19,121,788
Total capital assets being depreciated, net	23,089,287			21,934,374
<b>Water system capital assets, net</b>	<b>23,866,361</b>			<b>22,766,953</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 25,242,844</b>			<b>\$ 24,179,690</b>

## B. Liabilities

### 1. Payables

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

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
<b>Governmental activities:</b>					
General	\$ 327,405	\$ 375,947	\$ 354,093	\$ 429,349	\$ 1,486,794
Other governmental	10,313				10,313
Total governmental activities	\$ 337,718	\$ 375,947	\$ 354,093	\$ 429,349	\$ 1,497,107
<b>Business-type activities:</b>					
Landfill	\$ 152,169	\$ 36,945	\$	\$ (1,226)	\$ 187,888
Water system	13,798	12,971	89,019	452	116,240
Total business-type activities	\$ 165,967	\$ 49,916	\$ 89,019	\$ (774)	\$ 304,128



## 2. Pension Plan and Other Postemployment Obligations

### a. Local Governmental Employees' Retirement System

*Plan Description.* Pasquotank County, the TDA, and the Hospital participate 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 government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of 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 postretirement 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 by the North Carolina General Assembly. Plan members are required to contribute six percent (6%) of their annual covered salary. The County and the TDA are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.85% and 8.50%, respectively, of annual covered payroll. For the library employees, the current rate for employees not engaged in law enforcement is 7.86% of annual covered payroll. For the emergency medical services employees, the current rate for employees not engaged in law enforcement is 7.82%. The County's contributions to LGERS for the years ended June 30, 2019, was \$1,003,821. The TDA's contributions to LGERS for the year

ended June 30, 2019 was \$7,918. The County's contributions for the library employees to LGERS for the year ended June 30, 2019 was \$26,105. The contributions made by the County and the TDA equaled the required contributions for each year.

*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 \$4,446,955 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 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 liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018 the County's proportion was .1874%, which was a decrease of .007% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$1,278,146. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 686,059	\$ 23,021
Changes of assumptions	1,180,051	
Net difference between projected and actual earnings on pension plan investments	610,435	
Changes in proportion and differences between County contributions and proportionate share of contributions	157,192	79,293
County contributions subsequent to the measurement date	1,029,926	
Total	\$ 3,663,663	\$ 102,314

\$1,029,926 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2020	\$ 1,228,416
2021	803,408
2022	150,554
2023	349,045
2024	-
Thereafter	-

At June 30, 2019, the Authority reported a liability of \$51,954 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, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority'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 Authority's proportion was .002% which was the same as measured as of June 30, 2018.

For the year ended June 30, 2019, the Authority recognized pension expense of \$7,918 (fund basis) and pension expense of \$17,424 (government-wide statements). At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,015	\$ 269
Changes of assumption	13,787	-
Net difference between projected and actual earnings on pension plan investments	7,132	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	7,375	-
Authority contributions subsequent to measurement date	<u>7,918</u>	<u>-</u>
Total	<u>\$ 44,227</u>	<u>\$ 269</u>

\$44,227 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a decrease 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	\$ 17,043
2021	11,199
2022	2,751
2023	5,047
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 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study 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, 2018 are summarized in the following table:

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

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

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

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension 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 <u>(6.00%)</u>	Discount Rate (7.00%)	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$10,681,971	\$ 4,446,955	\$ (763,122)
TDA's proportionate share of the net pension liability (asset)	\$ 124,799	\$ 51,954	\$ (8,916)

*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 for the State of North Carolina.

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

Pasquotank County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan of which no stand-alone financial report is issued, that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2017 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>42</u>
Total	<u>46</u>

A separate report was issued for the plan.

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%
Salary increases	3.50 - 7.35%
Discount rate	3.64%

The discount rate is based on the S & P Municipal Bond 20-year High Grade Rate Index, as of June 30, 2018.

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

### 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 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 \$66,845 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 \$1,116,923. 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 \$98,009.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,009	\$ 71,283
Changes of assumptions	49,127	48,343
County benefit payments and administrative expenditures paid subsequent to the measurement date	37,261	
Total	\$ 161,397	\$ 119,626

The County paid \$37,261 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2020	\$ 7,545
2021	7,545
2022	7,545
2023	(2,573)
2024	(15,552)
Thereafter	-

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following represents 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	\$ 1,209,390	\$ 1,116,923	\$ 1,032,211

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

	2019
Beginning balance	\$ 1,204,649
Service cost	52,481
Interest on the total pension liability	37,315
Change in benefit terms	-
Difference between expected and actual experience	(86,515)
Changes in assumptions and other inputs	(43,392)
Benefit payments	(47,615)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,116,923</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 percent at June 30, 2018.

*Changes in benefit terms.* There are no changes in benefit terms since the prior measurement date.

The plan currently uses mortality tables that vary by age, 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 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 \$140,585 which consisted of \$100,807 from the County and \$39,778 from the law enforcement officers.

d. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County has complied with changes in the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts which had been deferred by the plan participants were required to be reported as assets of the County. Effective for the current fiscal year and in accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is no longer reported within the County's Agency Funds.

e. Registers of Deeds' Supplemental Pension Fund

*Plan Description.* Pasquotank County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The RODSPF provides supplemental pension benefits to any 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 State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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



*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,304 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 \$66,633 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 .402%, no change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$13,554. 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	\$ 587	\$ 3,041
Changes of assumptions	3,134	
Net difference between projected and actual earnings on pension plan investments	10,621	
Changes in proportion and differences between County contributions and proportionate share of contributions	1,688	312
County contributions subsequent to the measurement date	3,304	
Total	\$ 19,334	\$ 3,353

The \$3,304 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 7,090
2021	807
2022	3,130
2023	1,650
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. 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, 2018 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 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (52,536)	\$ (66,633)	\$ (78,521)

*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.

f. 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 the 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:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 4,446,955	\$ (66,633)	-	\$ 4,380,322
Proportion of the Net Pension Liability (Asset)	0.18740%	(0.402%)	N/A	
Total Pension Liability	-	-	1,116,923	\$ 1,116,923
Pension Expense	1,278,146	13,554	98,009	\$ 1,389,709

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 686,059	\$ 587	\$ 75,009	\$ 761,655
Changes of assumptions	1,180,051	3,134	49,127	1,232,312
Net difference between projected and actual earnings on pension plan investments	610,435	10,621		621,056
Changes in proportion and differences between County contributions and proportionate share of contributions	157,192	1,688		158,880
County benefit payments and administrative cost paid subsequent to the measurement date	1,029,926	3,304	37,261	1,070,491
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 23,021	\$ 3,041	\$ 71,283	\$ 97,345
Changes of assumptions			48,343	48,343
Changes in proportion and differences between County contributions and proportionate share of contributions	79,293	312		79,605

g. Other Postemployment Benefits

Health Care Benefits

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

*Benefits Provided.* To qualify for benefits retirees of the County must meet any of the unreduced retirement options available through the North Carolina Local Government Retirement System (System) and have twenty-five years of continuous service with the County and retire. The County pays the full cost of the coverage of these benefits. Currently thirty-three retirees are eligible for postretirement health benefits. Employees hired on or after January 1, 2015, who meet any of the unreduced retirement options available through the North Carolina Local Government Retirement System (System) and have twenty-five years of continuous service with the County and retire, will be eligible for coverage up until eligible for Medicare. For the fiscal year ended June 30, 2019, the County made payments for postretirement health benefit premiums of \$205,284.

Membership of the HCB Plan consisted of the following at December 31, 2018 the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	20	2
Retirees entitled to, but not yet receiving benefits	2	
Active plan members	243	44
Total	265	46

**Total OPEB Liability**

The County's total OPEB liability of \$17,059,777 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Salary increases	3.50% - 7.75%, including inflation
Discount rate	3.89%
Healthcare cost trend rates	Medicare – 5.50%

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

## Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2017	\$ 16,987,217
Changes for the year	
Service cost	713,198
Interest	602,282
Changes of benefit terms	-
Differences between expected and actual experience	(41,320)
Changes in assumptions or other inputs	(1,062,021)
Benefit payments	(139,579)
Net changes	\$ 72,560
Balance at June 30, 2018	\$ 17,059,777

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014, adopted by LGERS.

*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%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 20,577,272	\$ 17,059,777	\$ 14,326,331

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

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 13,906,757	\$ 17,059,777	\$ 21,243,861

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$937,739. 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	\$ -	\$ 82,092
Changes of assumptions	-	2,354,728
Benefit payments and administrative costs made subsequent to the measurement date	221,994	
Total	<u>\$ 221,994</u>	<u>\$ 2,436,820</u>

\$221,994 reported as deferred outflows of resources related to OPEB resulting from County benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

2020	\$ (377,741)
2021	(377,741)
2022	(377,741)
2023	(377,741)
2024	(377,741)
Thereafter	(548,115)

#### h. Other Employment Benefits

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

### 3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference on refunding of debt	\$ 109,175	\$ -
Changes of assumptions	1,232,312	2,403,071
Pensions/OPEB-difference between expected and actual experience		82,092
LGERS	686,059	23,021
Register of Deeds	587	3,041
LEOSSA	75,009	71,283
Pensions-difference between projected and actual investment earnings	621,056	
Pensions-change in proportion and difference between employer contributions and proportionate share of contributions	158,880	79,605
Contributions to pension plan in 17-18 fiscal year	1,033,230	
Benefit payments and administration costs paid subsequent to the measurement date (LEOSSA)	37,261	
Benefit payments paid subsequent to the measurement date (OPEB)	221,994	
Prepaid taxes not yet earned (General)		123,743
Total	<u>\$ 4,175,563</u>	<u>\$ 2,785,856</u>

### 4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property insurance coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property coverage, and single occurrence losses of \$350,000 for workers' compensation.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Administrator are each individually bonded for \$100,000 each. In addition the Register of Deeds is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

The County also participates in the Teachers' and State Employee's Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the County are eligible to receive health care benefits up to a \$5 million lifetime limit. The County pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan..

Albemarle Hospital Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. The Hospital carries commercial insurance for these 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.

The Authority is currently covered under a claims-made policy for the purpose of providing professional and patient care liability insurance. The total limits of coverage are \$1,000,000 per claim and \$3,000,000 in the aggregate.

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 will not have a material adverse effect on the County's position.

The Hospital is involved in litigation arising in the ordinary course of business, which may include professional liability claims. Incidents occurring through September 30, 2014 may result in assertion of a claim. Other claims may be asserted arising from past services provided. Hospital management believes these claims, if asserted, would be settled within the limits of its insurance coverage.

6. Long-term Obligations

a. General Obligation Indebtedness

General obligation bonds financed by the governmental funds are collateralized by the full faith, credit and taxing power of the County. Principal and interest requirements are appropriated when due. Pasquotank County had no general obligation bonds outstanding at June 30, 2019.

At June 30, 2019 Pasquotank County had a legal debt margin of \$229,617,235.

b. Revenue Bonds

Revenue bonds payable at June 30, 2019 are comprised of the following individual issues:

Primary Government - Water System Fund

\$16,500,000 Water and Sewer Revenue Bonds issued September 30, 2009. Due September and March in various installments through September 2029. Interest rate is 2.99 percent.	\$10,155,920
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In September 2009, the County issued \$16,500,000 of direct placement Water and Sewer Revenue Bonds. The proceeds were used to finance a reverse osmosis water treatment plant. In December of 2010, the County was able to have the rate adjusted from 5.02% to 4.37%. In June 2016, the County was able to have the interest rate adjusted from 4.37% to 2.99%. The combination of both of these rate adjustments will result in a total savings of interest over the life of the debt of approximately \$2,000,000. Interest and principal payments are due semi-annually on September 15 and March 15, beginning September 15, 2009, through September 15, 2029. The County has pledged future water and sewer customer revenues, net of specific operating expenses, to repay the \$16,500,000. The taxing power of the County is not pledged for the payment of principal and interest on the revenue bonds, and no owner of a bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property.

Certain financial covenants are contained in the Series 2009 Bond agreements, among the most



restrictive of which provide that the Water System Fund maintain a one hundred twenty per centum (120%) of the principal and interest requirements for the current fiscal year. The rates, fees and charges for the use and for the services and facilities furnished shall be revised from time to time to produce sufficient revenues to comply with this requirement. As of June 30, 2019 the Water System's Revenue Bond Coverage was at two hundred and forty-two per centum (2.42%).

Year ending June 30	Principal	Interest	Total
2020	\$ 836,693	\$ 297,454	\$ 1,134,147
2021	861,897	272,250	1,134,147
2022	887,860	246,287	1,134,147
2023	914,605	219,541	1,134,146
2024	942,157	191,990	1,134,147
2025 - 2029	5,153,988	516,745	5,670,733
2030	558,720	8,353	567,073
Total	<u>\$ 10,155,920</u>	<u>\$ 1,752,620</u>	<u>\$11,908,540</u>

c. Certificates of Participation

On December 9, 2004, the County issued \$14,280,000 of direct placement tax-exempt Certificates of Participation to finance the construction of a new middle school. Interest at varying rates from 3.00% to 5.00% is payable semiannually on December 1 and June 1. Principal payments are due annually on June 1, with final principal payments due June 1, 2030. A majority, \$10,970,000, of these bonds were advance refunded in December 2012 and January 2013. The projected interest savings to the County will be approximately \$2,000,000 over the life of the debt.

On December 7, 2006, the County issued \$12,575,000 of direct placement tax-exempt Certificates of Participation to refund a portion of the 1995 certificates maturing on June 1, 2015 and all of the 1995 Certificates maturing on June 1, 2020. Interest rates varying from 4.00% to 5.25% is payable semiannually on December 1 and June 1. Principal payments are due annually on June 1, beginning in 2011, with final principal payments due on June 1, 2020. The outstanding balance on June 30, 2019 was \$1,545,000. As a result of the refunding the County will reduce interest paid by approximately \$352,000 over the life of the debt. The debt is secured by River Road Middle School.

Debt service requirements to maturity are presented in the following table:

Year ending June 30	Principal	Interest	Total
2020	\$ 1,545,000	\$ 81,113	\$ 1,626,113
	<u>\$ 1,545,000</u>	<u>\$ 81,113</u>	<u>\$ 1,626,113</u>

d. Advance Refundings

**Series 2012**

On December 31, 2012 the County borrowed \$4,748,186 through a bank qualified loan with BB&T at an interest rate of 2.59% to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources to provide for the future payments of principal and interest to the bond holders. As a result the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The first principal payment is due on June 1, 2015, with interest only payments beginning December 1, 2013. The outstanding balance at June 30, 2019 is \$1,321,840.

**Series 2013**

On January 23, 2013 the County borrowed \$6,195,123 through a bank qualified loan with BB&T at an interest rate of 2.59% to provide resources to purchase U.S. Government

securities that were placed in an irrevocable trust for the purpose of general resources to provide for the future payments of principal and interest to the bond holders. As a result the refunded Certificates of Participation are considered defeased and the liability has been removed from the governmental activities column of the statement of position. The first principal payment is due on June 1, 2015, with interest only payments beginning December 1, 2013. The outstanding balance at June 30, 2019 is \$5,328,055.

Both the Series 12 and Series 13 are direct borrowing which are secured by Elizabeth City Middle School.

Year Ending June 30	Principal		Combined		Total
	Series 2012	Series 2013	Interest		
2020	\$ 668,636	\$ 187,118	\$ 172,232	\$	1,027,986
2021	653,204	191,964	150,068		995,236
2022		851,936	128,179		980,115
2023		841,251	106,113		947,364
2024		830,289	84,325		914,614
2025 - 2028		2,425,497	104,316		2,529,813
Total	\$ 1,321,840	\$ 5,328,055	\$ 745,233	\$	7,395,128

e. Installment Purchases

The following installment purchase contracts are considered direct borrowings and are comprised of the following at June 30, 2019:

General Fund

A \$10,000,000 direct borrowing installment purchase contract from PNC Bank for construction of a public safety building and a new library. The property is pledged as collateral for the debt while the debt is outstanding. The note is payable in forty semi-annual payments of \$250,000 principal and interest at 3.87% beginning January 11, 2006. \$ 3,250,000

A \$3,000,000 direct borrowing installment purchase contract from PNC Bank for construction of a public safety building and a new library. The property is pledged as collateral for the debt while the debt is outstanding. The note is payable in forty semi-annual payments of \$75,000 principal and interest at 4.17% beginning July 11, 2006. 1,050,000

A \$7,000,000 direct borrowing installment purchase contract from PNC Bank for construction of a new jail. The property is pledged as collateral while the debt is outstanding. The note is payable in forty semi-annual payments of \$175,000 principal and interest at 4.32%, beginning May 21, 2007. 2,625,000

A \$6,300,000 direct borrowing installment purchase contract from SunTrust Leasing Corp for a two-story addition to Building A on the Elizabeth City campus of College of the Albemarle (68%) and to renovate the former library building and courthouse (32%). Building A is pledged as collateral while the debt is outstanding. The note is payable in forty semi-annual payments of \$157,500 principal and interest at 2.76%, beginning October 25, 2007. 2,520,000

A \$12,000,000 direct borrowing installment purchase contract from the United States Department of Agriculture Rural Development for construction of a new jail. The property is pledged as collateral while the debt is outstanding. The note is payable in forty annual payments of \$583,920 of principal and interest at 3.75% beginning December 28, 2011. 10,776,968

A \$2,447,000 direct borrowing installment purchase contract from PNC Bank for roof replacement and final payment for the construction of a new jail. Property at 1205 McPherson Street is pledged as collateral while the debt is outstanding. The note is payable in twenty semi-annual payments of \$122,350 principal and interest at 2.58%, beginning June 15, 2012. 611,750

A \$500,000 direct borrowing installment purchase contract from BB&T for a fire truck, patrol cars and computer equipment and software. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in seven annual payments of \$76,840 Including interest at 1.86% beginning September 28, 2013. 75,438

A \$870,000 direct borrowing installment purchase contract from BB&T for replacing a portion of the high school's roof, to update the fire alarm system at an elementary school, (74.37%) and to replace the HVAC piping system at a County building (25.63%). Property located at 709 Roanoke Avenue is pledged as collateral while the debt is outstanding. The note is payable in twenty semi-annual payments of \$43,500 principal and interest at 2.29% beginning December 17, 2014. 435,000

A \$190,000 direct borrowing installment purchase contract from BB&T for patrol vehicles and equipment for the Sheriff's department and a passenger van for College of the Albemarle. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$20,071 including interest at 2.02% beginning May 14, 2015. 19,870

A \$355,000 direct borrowing installment purchase contract from BB&T for a fire truck and an ambulance. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$37,011 including interest at 1.53% beginning November 27, 2015. 73,181

A \$490,000 direct borrowing installment purchase contract from Xenith Bank for a bookmobile, patrol cars, ambulance remount, animal control truck, and a quick response vehicle. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$51,759 including interest at 1.99% beginning August 20, 2018. 395,891

A \$300,000 direct borrowing installment purchase contract from BB&T for chrome books and charging carts for the school system. The chrome books are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$31,759 including interest at 2.10% beginning February 28, 2018. 213,267

A \$805,000 direct borrowing installment purchase contract with TowneBank for the purchase of a fire truck, patrol cars, two ambulances and a fleet vehicle. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten semi-annual payments of \$84,824 including interest at 1.90% beginning July 2017. 492,222

A \$435,000 direct borrowing installment purchase contract with TowneBank for the purchase of patrol cars and equipment, an ambulances and a vehicle for inspections. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten semi-annual payments of \$45,974 including interest at 2.01% beginning August 2019. 435,000

A \$1,300,000 direct borrowing installment purchase contract with TowneBank for the HVAC replacement at Northside Elementary School. The property is pledged as collateral while the debt is outstanding. The note is payable in twenty semi-annual payments of \$65,000 principal and interest at 2.93%, beginning November 2019. 1,300,000

A \$2,490,000 direct borrowing installment purchase contract with TowneBank for various school capital projects which include HVAC, replacement new chiller, and two roof replacements. J.C. Sawyer Elementary School is pledged as collateral while the debt is Outatanding. The note is payable in twenty semi-annual payments of \$124,500 principal and interest at 2.32%, beginning November 2017. 1,992,000

Total General Fund \$ 26,265,587

Total Direct Borrowing Installment Purchases \$ 26,265,587

Debt service requirements to maturity are as follows:

Governmental Activities:

Year ending June 30	Principal	Interest	Total
2020	\$ 2,773,795	\$ 882,505	\$ 3,656,300
2021	2,620,020	797,646	3,417,666
2022	2,512,905	715,004	3,227,909
2023	2,203,932	637,510	2,841,442
2024	2,079,881	565,276	2,645,157
2025 – 2029	5,431,730	1,985,818	7,417,548
2030 – 2034	1,400,122	1,519,478	2,919,600
2035 – 2039	1,683,087	1,236,513	2,919,600
2040 – 2044	2,023,238	896,362	2,919,600
2045 – 2049	2,432,134	487,466	2,919,600
2050 – 2051	1,104,743	62,512	1,167,255
Total	<u>\$ 26,265,587</u>	<u>\$ 9,786,090</u>	<u>\$ 36,051,677</u>

f. Qualified School Construction Bonds

Qualified School Construction Bonds (QSCBs) are a United States debt instrument created by Section 1521 of the American Recovery and Reinvestment Act of 2009 and are covered under Section 54F of the Internal Revenue Service code. Elizabeth City-Pasquotank School System along with Pasquotank County; applied for and received approval for Qualified School Construction Bonds

in the amount of \$2,000,000 to finance the replacement of the heating, ventilation and air-conditioning systems or equipment at several schools and the resurfacing of the tennis courts and track at the high school. Principal and interest payments at 4.91% are due annually beginning on December 15, 2012 and ending on December 15, 2026. QSCBs allow Counties to borrow at zero percent interest. The County must first make the interest payment and then request a refund of the interest paid. The balance at June 30, 2018 is \$1,066,667. The bonds are secured by Northeastern High School and Central Elementary School.

Debt service requirements to maturity are presented in the following table:

Year ending June 30	Principal	Interest	Total
2020	\$ 133,333	\$ 52,373	\$ 185,706
2021	133,333	45,827	179,160
2022	133,333	39,280	172,613
2023	133,333	32,733	166,066
2024	133,333	26,187	159,520
2025 - 2027	400,002	39,280	439,282
	<u>\$ 1,066,667</u>	<u>\$ 235,680</u>	<u>\$ 1,302,347</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed only \$20,723,210 relates to assets the County holds title to. Debt in the amount of \$14,803,939 relates to assets in which the County does not hold title to. Unamortized bond refunding differences and unamortized premium on COPS are both related to assets in which the County does not hold title to.

g. 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:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
<b>Governmental Activities:</b>					
Direct borrowing installment purchase	\$ 27,153,898	\$ 1,735,000	\$ 2,623,311	\$ 26,265,587	\$ 2,773,795
Advance refunding	7,509,582		859,687	6,649,895	855,754
Certificates of Participation	3,005,000		1,460,000	1,545,000	1,545,000
Qualified School Construction Bonds	1,200,000		133,333	1,066,667	133,333
Unamortized premium on COPS	224,206		58,436	165,770	58,435
Compensated absences	822,393	553,862	551,036	825,219	
Post employment benefits	15,298,631	86,245		15,384,876	
Net pension liability (LGRS)	2,683,031	1,328,400		4,011,431	
Total pension liability (LEOSSA)	1,204,649		87,726	1,116,923	
Total governmental activities	<u>\$ 59,101,390</u>	<u>\$ 3,703,507</u>	<u>\$ 5,773,529</u>	<u>\$ 57,031,368</u>	<u>\$ 5,366,317</u>
<b>Business-type activities</b>					
Direct borrowing installment purchase	\$ 11,853	\$	\$ 11,853	\$ -	\$
Revenue bonds	10,968,146		812,226	10,155,920	836,693
Post employment benefits	1,688,586		13,685	1,674,901	
Net pension liability (LGRS)	289,002	146,522		435,524	
Compensated absences	92,671	61,302	50,628	103,345	
Total business-type activities	<u>\$ 13,050,258</u>	<u>\$ 207,824</u>	<u>\$ 888,392</u>	<u>\$ 12,369,690</u>	<u>\$ 836,693</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated in the General Fund. The net pension obligation and the post-employment benefits for the governmental activities are liquidated in the General Fund.

**C. Interfund Balances and Activity**

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

From the Landfill Fund to the Capital Reserve fund to accumulate resources for the future needs of the Landfill Fund	\$100,000
--	-----------

**D. Net Investment in Capital Assets**

	Governmental	Business-type
Capital Assets	\$ 39,119,557	\$ 24,179,690
less: long-term debt	(20,723,210)	(10,155,920)
Net investment in capital assets	\$ 18,396,347	\$ 14,023,770

**E. Fund Balance**

Pasquotank 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, county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

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

Total Fund balance-General Fund	\$ 16,797,994
Less:	
Prepaid items	10,439
Register of deeds	10,586
Stabilization by State Statute	5,345,258
Appropriated Fund Balance in 2019-20 Budget	700,000
Unspent debt proceeds	515,869
Tax Revaluation	219,268
School capital needs	436,677
Remaining Fund Balance	9,559,897

The outstanding encumbrances are amounts needed to pay commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances	General Fund	Non-Major Funds
	\$152,713	\$ -0-

#### **Note 4 - Jointly Governed Organizations**

Albemarle Commission

Albemarle District Jail Commission

Albemarle Mental Health Center

Inter-County Public Transport Authority

Albemarle Regional Health Services

Services of the above agencies are shared with other Counties in the surrounding area. Each County's contribution to these agencies is based on a per capita assessment based on the most recent census figures available, and each County appoints one or more members to the Boards of these agencies. Pasquotank County does not have significant influence over the above agencies, and they in turn are not dependent upon the County to a degree sufficient to justify the inclusion of the agencies as a part of the County reporting entity.

#### **Note 5 - Joint Ventures**

Elizabeth City-Pasquotank County Regional Airport

The Elizabeth City-Pasquotank County Regional Airport was created in March of 1987 by the City and the County to operate the municipal airport. The City Council and the Board of commissioners each appoint two members of the Airport's governing board; appointment of a fifth member, the chairperson, is alternated between the City and County. All appointments are for two years. The County has an ongoing financial responsibility because it and the City are legally obligated under H.B. 769 Chapter 198 for any operating deficits on a 50/50 basis. The participating governments do not have any equity interest in the Airport, so no equity interest has been reflected in the financial statements at June 30, 2019. Financial statements for the Airport may be obtained at the Airport's office at 1028 Consolidated Road, Elizabeth City, North Carolina, 27909.

Pasquotank County ABC Board

The Pasquotank County ABC Board is a corporate body with powers outlined by G. S. 18B-701. The Pasquotank County Commissioners and the Elizabeth City Council each appoint two members to the ABC Board; the fifth member is appointed jointly by the City and the County. The ABC Board may borrow money in accordance with G.S. 18B-702(b) and the County and City are not responsible for any deficits incurred by the ABC Board. A special act, H.B. 545 Chapter 370 of the North Carolina Legislature, General Assembly of 1947, gives the Pasquotank County ABC Board the authority to divide its profits equally between Pasquotank County and Elizabeth City. There are no ongoing financial interest or responsibilities. Financial statements may be obtained at the ABC Board at 225 South Hughes Boulevard, Elizabeth City, North Carolina, 27909.

Elizabeth City-Pasquotank County Economic Development Commission

The Elizabeth City-Pasquotank County Economic Development Commission is an independent entity formed in 1976 for the purpose of coordinating City and County efforts to attract new industry to the area. The City and County contributed equal amounts to the Commission to purchase and improve 41.4 acres of land for an industrial park, located within the city limits. Proceeds from sales of this property are returned to the City and County on a 50/50 basis. The City and County make annual contributions to the Commission for operating expenses. The County has an ongoing financial responsibility for the joint venture because the Elizabeth City-Pasquotank County Economic Development Commission's continued existence depends on the participating governments' continued financing. The participating governments do not have any equity interest in the Elizabeth City-Pasquotank County Economic Development Commission, so no equity interest has been reflected in the financial statements at June 30, 2019.

In November 1985, the City and County purchased 52.01 acres of land for a second industrial park located outside the corporate city limits. Total cost of this site was \$261,375. Purchase and improvement costs and proceeds from sales are shared equally by the City and County. Pasquotank County contributed \$105,172 and \$105,172 during the years ended June 30, 2019 and 2018, respectively, towards the operating expenses of the Albemarle Economic Development Commission. Financial statements for the Albemarle Economic Development Commission may be obtained at the Commission's office at 405 East Main Street, Elizabeth City, North Carolina, 27909.

#### **Note 6 - Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Taxes**

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2019, the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for debt related to public school capital projects.

#### **Note 7 - 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.

#### **Note 8 – Lease Agreement**

Effective March 1, 2014, the Albemarle Hospital Authority entered into a long-term lease agreement, as well as associated ancillary agreements (collectively, the "Lease Agreement"), with Sentara Healthcare ("Sentara") and a wholly owned subsidiary of Sentara, Sentara Albemarle Regional Medical Center ("SARMC"). Pursuant to the Lease Agreement, as of March 1, 2014, the Authority transferred all operating rights, obligations and benefits associated with the Authority's facilities, clinics and operations, as well as certain assets and liabilities associated with the Authority, to SARMC, all subject to the terms of the related transactional documents. Consequently, as of March 1, 2014, the Authority is no longer the operator of the health system known as "Albemarle Health".



## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-1

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
For the Year Ended June 30, 2019**

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	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 1,204,649	\$ 960,061	\$ 918,724
Service Cost	52,481	48,979	51,533
Interest on the total pension liability	37,315	36,415	32,464
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(86,515)	116,337	-
Changes of assumptions or other inputs	(43,392)	76,193	(23,933)
Benefit payments	(47,615)	(33,336)	(18,727)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 1,116,923</u>	<u>\$ 1,204,649</u>	<u>\$ 960,061</u>

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

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-2

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL

For the Year Ended June 30, 2019

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	2019	2018	2017
Total pension liability	\$ 1,116,923	\$ 1,204,649	\$ 960,061
Covered payroll	1,960,789	2,090,898	1,886,349
Total pension liability as a percentage of covered payroll	56.96%	57.61%	50.90%

Notes to the schedules:

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

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-3

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

June 30, 2019

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	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 713,198	\$ 812,540
Interest	602,282	531,286
Changes of benefit terms	-	-
Differences between expected and actual experience	(41,320)	(60,948)
Changes of assumptions	(1,062,021)	(1,891,629)
Benefit payments	(139,579)	(108,639)
<b>Net change in total OPEB liability</b>	72,560	(717,390)
<b>Total OPEB liability - beginning</b>	16,987,217	17,704,607
<b>Total OPEB liability - ending</b>	<u>\$ 17,059,777</u>	<u>\$ 16,987,217</u>

**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>
2019	3.89%
2018	3.56%

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-4

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY (ASSET)**

Local Government Employees' retirement system

Last Five Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.187%	0.194%	0.188%	0.176%	0.176%	0.180%
County's proportionate share of the net pension liability (asset)	\$ 4,446,955	\$ 2,972,033	\$ 3,997,841	\$ 790,867	\$ (1,035,948)	\$ 2,180,540
County's covered payroll	\$ 12,530,043	\$ 12,478,909	\$ 12,060,605	\$ 10,815,619	\$ 10,347,999	\$ 9,876,047
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.29%	23.82%	33.15%	7.31%	(10.01%)	22.79%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-5

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

Local Government Employees' retirement system

Last Five Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,029,926	\$ 955,624	\$ 930,865	\$ 825,529	\$ 767,841	\$ 735,202
Contributions in relation to the Contractually required contribution	1,029,926	955,624	930,865	825,529	767,841	735,202
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 12,969,943	\$ 12,530,043	\$ 12,478,909	\$ 12,060,605	\$ 10,815,619	\$ 10,347,999
Contributions as a percentage of covered payroll	7.94%	7.63%	7.46%	6.38%	7.10%	7.10%

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-6

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY (ASSET)  
Register of Deeds' Supplemental Pension Fund  
Last Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.402%	0.402%	0.424%	0.412%	0.423%	0.422%
County's proportionate share of the net pension liability (asset)	\$ (66,633)	\$ (68,687)	\$ (79,228)	\$ (95,458)	\$ (95,907)	\$ (90,047)
County's covered payroll	\$ 66,756	\$ 65,756	\$ 62,788	\$ 55,319	\$ 54,264	\$ 53,729
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(99.26%)	(102.89)	(126.18%)	(172.56%)	(176.74%)	(167.59%)
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.

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule A-7

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

Register of Deeds' Supplemental Pension Fund

Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,304	\$ 3,443	\$ 3,496	\$ 3,462	\$ 3,296	\$ 3,455
Contributions in relation to the Contractually required contribution	3,304	3,443	3,496	3,462	3,296	3,455
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 67,126	\$ 66,756	\$ 65,756	\$ 62,788	\$ 55,319	\$ 54,264
Contributions as a percentage of covered payroll	4.92%	5.16%	5.32%	5.51%	5.96%	6.37%



## **SUPPLEMENTAL INFORMATION**

## MAJOR GOVERNMENTAL FUND

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

**PASQUOTANK COUNTY, NORTH CAROLINA**

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

Schedule B-1

Page 1 of 9

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Ad valorem taxes:			
Taxes	\$ 24,527,600	\$ 24,763,374	\$ 235,774
Taxes, prior years	633,600	612,783	(20,817)
Loss of present-value exemption		1,425	1,425
Collections on taxes previously written off		134	134
Advertising fees	6,000	3,886	(2,114)
Penalties and interest	160,000	162,537	2,537
Total	<u>25,327,200</u>	<u>25,544,139</u>	<u>216,939</u>
Local option sales taxes:			
Article 39 one percent	4,000,000	3,867,308	(132,692)
Article 40 one-half of one percent	2,023,000	2,327,484	304,484
Article 42 one-half of one percent	2,020,413	2,187,947	167,534
Article 44 one-half of one percent		30	30
Article 44 one-half of one percent-HB 524		14,455	14,455
Article 46 one-fourth of one percent	900,000	1,059,687	159,687
Total	<u>8,943,413</u>	<u>9,456,911</u>	<u>513,498</u>
Other taxes and licenses:			
Privilege licenses	2,500	3,515	1,015
Franchise fees	180,000	176,559	(3,441)
Marriage licenses	6,000	6,500	500
DMV license revocation fees	3,500	3,181	(319)
Documentary stamps	110,000	145,987	35,987
Gross receipts tax	80,000	104,569	24,569
In lieu of taxes-Elizabeth City Housing Authority	20,000	31,463	11,463
Real estate transfer tax	900,000	1,366,860	466,860
Total	<u>1,302,000</u>	<u>1,838,634</u>	<u>536,634</u>
Unrestricted intergovernmental revenue:			
Beer and wine tax	95,000	96,255	1,255
Tax refunds-sales tax		502	502
Tax refunds-gasoline	4,000	5,536	1,536
Total	<u>99,000</u>	<u>102,293</u>	<u>3,293</u>
Restricted intergovernmental revenue:			
State grants	453,223	427,934	(25,289)
Federal grants	5,590,169	4,071,749	(1,518,420)
Jail-Camden/Perquimans	391,180	413,115	21,935
NC Lottery funds	400,000	405,450	5,450
Court facility fees	50,000	46,554	(3,446)
Total	<u>6,884,572</u>	<u>5,364,802</u>	<u>(1,519,770)</u>
Restricted other:			
Grants-other	40,000	40,000	
Sentara Albemarle Hospital	450,000	450,000	
Total	<u>490,000</u>	<u>490,000</u>	<u>-</u>

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-1

GENERAL FUND

Page 2 of 9

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue (continued):			
Permits and fees:			
Gun Permits	19,200	20,600	1,400
Miscellaneous permits and fees		3,700	3,700
Officer and sheriff fees	110,000	92,454	(17,546)
Recording Fees	196,570	183,868	(12,702)
Building permits and inspection fees	67,500	103,926	36,426
Total	393,270	404,548	11,278
Sales and services:			
Ambulance fees	3,498,641	3,506,517	7,876
Jail fees	28,986	30,061	1,075
Rents	1,490,255	1,495,452	5,197
Tax collection fees	123,000	123,331	331
Library fees	21,500	18,621	(2,879)
Health Department	70,000	61,146	(8,854)
Other sales and services	17,855	18,956	1,101
Total	5,250,237	5,254,084	3,847
Investment earnings:	223,874	285,811	61,937
Miscellaneous:			
School Security	165,347	165,347	
ABC Board net revenue	195,000	201,000	6,000
Camden County:			
Central communications	313,262	264,721	(48,541)
Emergency medical services	529,973	529,973	
City of Elizabeth City:			
Central communications	501,219	423,554	(77,665)
Animal control	133,922	124,074	(9,848)
Law enforcement		3,220	3,220
Food stamp claims collections	5,135	16,087	10,952
AFDC/TANF/MA/SA/IV-D reimbursements	10,650	8,679	(1,971)
Day care reimbursements	1,000	986	(14)
Sale of fixed assets	10,000	16,188	6,188
Insurance proceeds	177,226	176,810	(416)
Other	58,800	74,541	15,741
Total	2,101,534	2,005,180	(96,354)
Total revenues	51,015,100	50,746,402	(268,698)

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-1

## GENERAL FUND

Page 3 of 9

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	69,972	64,741	5,231
Operating expenditures	27,600	25,513	2,087
Total	97,572	90,254	7,318
Administration:			
Salaries and employee benefits	226,804	225,564	1,240
Operating expenditures	12,300	11,184	1,116
Total	239,104	236,748	2,356
Information technology:			
Salaries and employee benefits	109,877	109,464	413
Operating expenditures	258,074	244,251	13,823
Capital outlay	104,436	77,873	26,563
Total	472,387	431,588	40,799
Election board:			
Salaries and employee benefits	132,230	129,677	2,553
Operating expenditures	124,850	114,414	10,436
Total	257,080	244,091	12,989
Finance:			
Salaries and employee benefits	180,086	180,468	(382)
Operating expenditures	44,864	41,515	3,349
Total	224,950	221,983	2,967
Tax administration:			
Salaries and employee benefits	495,196	494,005	1,191
Operating expenditures	147,800	128,790	19,010
Capital Outlay	42,100	39,532	2,568
Total	685,096	662,327	22,769
Legal:			
Salaries and employee benefits	185,410	183,735	1,675
Operating expenditures	68,875	63,313	5,562
Total	254,285	247,048	7,237
Register of Deeds:			
Salaries and employee benefits	236,382	238,348	(1,966)
Operating expenditures	14,875	15,541	(666)
Automation/Preservation	12,570	9,305	3,265
Total	263,827	263,194	633

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-1

## GENERAL FUND

Page 4 of 9

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
General government (continued):			
Human resources:			
Salaries and employee benefits	90,083	91,275	(1,192)
Operating expenditures	4,650	1,828	2,822
Total	94,733	93,103	1,630
Public buildings:			
Salaries and employee benefits	527,904	534,343	(6,439)
Operating expenditures	809,595	736,794	72,801
Capital outlay	197,000	31,322	165,678
Total	1,534,499	1,302,459	232,040
Court facilities:			
Operating expenditures	50,000	6,291	43,709
Total	50,000	6,291	43,709
Non-Departmental:			
Workers compensation and liability insurance	200,000	175,698	24,302
Operating expenditures	99,275	63,465	35,810
Grant-HMGP-Acquisition	808,968	6,857	802,111
Grant-HMGP-Elevation	114,272	1,724	112,548
Grant-COA Boardwalk	180,835	89,504	91,331
Total	1,403,350	337,248	1,066,102
Total general government	5,576,883	4,136,334	1,440,549
Public safety:			
Sheriff:			
Salaries and employee benefits	3,064,765	3,031,213	33,552
Operating expenditures	429,915	408,504	21,411
Capital outlay	297,165	205,811	91,354
Total	3,791,845	3,645,528	146,317
Animal control:			
Salaries and employee benefits	114,948	105,724	9,224
Operating expenditures	27,407	16,721	10,686
SPCA Contract	130,000	130,000	
Total	272,355	252,445	19,910
Jail:			
Professional services	363,593	301,592	62,001
Juvenile services	77,000	71,126	5,874
County's share Tri-County Jail	1,326,997	1,326,997	
Debt service:			
Principal	767,985	767,985	
Interest	555,369	555,368	1
Total	3,090,944	3,023,068	67,876

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-1

## GENERAL FUND

Page 5 of 9

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Public safety (continued):			
School resource officers:			
Salaries and employee benefits	306,027	249,603	56,424
Operating expenditures	21,100	22,375	(1,275)
Total	327,127	271,978	55,149
Building inspector:			
Salaries and employee benefits	201,745	167,042	34,703
Operating expenditures	37,100	16,930	20,170
Capital outlay	26,582		26,582
Total	265,427	183,972	81,455
National Guard	200	200	
Fire and forest protection:			
Salaries & Employee Benefits	38,115	36,669	1,446
Operating expenditures	23,850	22,146	1,704
Assistance to Forestry service	50,194	42,471	7,723
Assistance to local fire departments	712,402	700,011	12,391
Intercounty assistance	67,850	67,850	
Total	892,411	869,147	23,264
Emergency medical services:			
Salaries and employee benefits	4,120,373	4,120,154	219
Operating expenditures	675,806	662,041	13,765
Capital outlay	408,017	403,409	4,608
Debt service:			
Principal	112,069	112,069	
Interest	22,242	27,035	(4,793)
Total	5,338,507	5,324,708	13,799
Central communications:			
Salaries and employee benefits	1,030,558	1,024,210	6,348
Operating expenditures	237,560	113,812	123,748
Capital outlay	140,594	28,903	111,691
Total	1,408,712	1,166,925	241,787
Emergency Management:			
Salaries and employee benefits	128,880	118,999	9,881
Operating expenditures	33,250	31,330	1,920
Grants-reimbursement	1,100	1,681	(581)
Total	163,230	152,010	11,220
Total public safety	15,550,758	14,889,981	660,777

**PASQUOTANK COUNTY, NORTH CAROLINA**

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

Schedule B-1

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	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Economic and physical development:			
Planning and zoning:			
Board salaries	1,200	925	275
Salaries and employee benefits	138,542	113,069	25,473
Operating expenditures	7,390	10,220	(2,830)
Total	147,132	124,214	22,918
Geographical Information System:			
Salaries and employee benefits	123,703	123,088	615
Operating expenditures	3,500	3,986	(486)
Total	127,203	127,074	129
Agricultural extension:			
Salaries and employee benefits	203,475	207,547	(4,072)
Operating expenditures	31,940	22,997	8,943
Grant-SHIIP	5,211	4,857	354
Total	240,626	235,401	5,225
Soil and water conservation:			
Salaries and employee benefits	63,225	55,023	8,202
Operating expenditures	36,976	19,739	17,237
Total	100,201	74,762	25,439
Community Relations Commission	2,500	2,157	343
Commerce Park	15,900	15,205	695
Albemarle Resource Conservation and Development Council	750	750	
Albemarle Commission	35,499	35,499	
Economic Development Commission	105,172	105,172	
Elizabeth City Downtown	3,000	3,000	
Incentive Grant	1,196,000	1,183,677	12,323
City of Elizabeth City-Aircraft Taxes	20,000	18,984	1,016
Total economic and physical development	1,993,983	1,925,895	68,088



**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-1

## GENERAL FUND

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## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Human Services:			
Health:			
Medical Examiner fees	45,000	40,850	4,150
Assistance to District Health Department	160,853	160,853	
ARPDG-elderly nutrition assistance	69,613	69,613	
ICPTA match	44,041	44,041	
Total	319,507	315,357	4,150
Mental health:			
Children services-Caswell Center	375	375	
Alcoholism - contracted services	85,506	85,506	
Total	85,881	85,881	
Total health	405,388	401,238	4,150
Social services:			
Administration:			
Salaries and employee benefits	5,136,743	4,934,879	201,864
Board salaries	3,500	2,850	650
Operating expenditures	1,119,148	1,086,181	32,967
Capital outlay	74,359	52,852	21,507
Total	6,333,750	6,076,762	256,988
Special assistance for adults:			
County participation only:			
Aid for the aged	219,081	248,839	(29,758)
Aid for the permanently and totally disabled	236,903	236,903	
Total	455,984	485,742	(29,758)
Medicaid program:			
County participation only	16,000	1,756	14,244
Other assistance:			
Aid for the blind	5,537	5,537	
Children's services	22,200	9,788	12,412
Adult services	51,521	47,419	4,102
Transportation services	1,000	125	875
Humanitarian needs	7,500	8,500	(1,000)
Crisis intervention	209,087	208,512	575
TANF emergency assistance	15,000	10,398	4,602
LIEAP program	302,899	230,400	72,499
Share the warmth program	2,443	445	1,998
Other (JOBS)	35,000	25,991	9,009
Foster care	79,500	59,283	20,217
Adoption assistance	65,725	60,617	5,108
Total	797,412	667,015	130,397
Total social services	7,603,146	7,231,275	371,871

**PASQUOTANK COUNTY, NORTH CAROLINA**

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

Schedule B-1

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	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Human services (continued):			
Kid's First	24,000	24,000	
Albemarle Hopeline	10,000	10,000	
Veterans service officer	2,000	1,188	812
Office of Juvenile Justice Programs-Pass Thru	131,974	138,044	(6,070)
Office of Juvenile Justice Programs-County match only	13,297	8,386	4,911
Food Bank of the Albemarle	10,000	10,000	
Skills, Inc.	1,000	1,000	
River City Community Development Corporation	3,000	3,000	
Office of Juvenile Justice Programs-Administration	1,000	636	364
United Way	2,200	2,200	
Home and Community Care Block Grant-County match only	4,000	4,620	(620)
Total human services	8,211,005	7,835,587	375,418
Cultural and recreational:			
City of Elizabeth City:			
Knobbs Creek Recreation Center	1,050,378	1,032,134	18,244
Senior Citizens Center	106,154	103,601	2,553
Total	1,156,532	1,135,735	20,797
Library:			
Salaries and employee benefits	523,711	518,644	5,067
Operating expenditures	142,289	135,678	6,611
Debt service:			
Principal	13,053	13,053	
Interest	1,305	1,305	
Total	680,358	668,680	11,678
Total cultural and recreational	1,836,890	1,804,415	32,475

**PASQUOTANK COUNTY, NORTH CAROLINA**

GENERAL FUND

Schedule B-1

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## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Education:			
Public Schools, current expense	11,364,000	11,364,000	
Public Schools, capital outlay	3,349,503	1,916,712	1,432,791
Community College, operations appropriation	1,660,000	1,660,000	
Community College, capital appropriation	500,000	500,000	
Total education	16,873,503	15,440,712	1,432,791
Debt service:			
Principal retirement	4,198,932	4,198,932	
Interest and fees	712,924	708,707	4,217
Trustee services	10,000	9,988	12
Total debt service	4,921,856	4,917,627	4,229
Total expenditures	54,964,878	50,950,551	4,014,327
Revenue over (under) expenditures	(3,949,778)	(204,149)	3,745,629
Other financing sources (uses):			
Transfers from (to) other funds:			
Special revenue funds:			
Capital reserve	95,537	95,537	
Reappraisal reserve	(40,000)	(40,000)	
Issuance of debt	2,435,135	1,735,000	(700,135)
Fund balance appropriated	1,459,106		(1,459,106)
Total other financing sources (uses)	3,949,778	1,790,537	(2,159,241)
Excess of revenue and other sources over expenditures and other uses	-	1,586,388	1,586,388
Fund balance, beginning of year		13,746,736	
Fund balance, end of year	\$ -	\$ 15,333,124	\$ -

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-2

## CAPITAL RESERVE FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Sale of land	\$ 288,000	\$ 196,200	\$ (91,800)
Investment earnings	5,000	20,971	15,971
Miscellaneous Revenue	3,629	3,629	
Total revenue	<u>296,629</u>	<u>220,800</u>	<u>(75,829)</u>
Expenditures:			
Reserve Funds	<u>1,507,513</u>		<u>1,507,513</u>
Revenues over (under) expenditures	<u>1,507,513</u>	<u>-</u>	<u>1,507,513</u>
Other financing sources:			
Transfers in-Landfill Fund	100,000	100,000	
Transfers out-General Fund	(95,537)	(95,537)	
Fund balance appropriated	<u>1,206,421</u>		<u>(1,206,421)</u>
Total other financing sources	<u>1,210,884</u>	<u>4,463</u>	<u>(1,206,421)</u>
Excess of revenue over expenditures	\$ <u>-</u>	225,263	\$ <u>225,263</u>
Fund balance, beginning of year		<u>1,020,339</u>	
Fund balance, end of year		\$ <u>1,245,602</u>	

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule B-3

## REAPPRAISAL RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

---

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Investment earnings	\$ -	\$ 3,417	\$ 3,417
Expenditures:			
General government:			
Tax listing	40,000		40,000
Total expenditures	40,000	-	40,000
Revenue over (under) expenditures	(40,000)	3,417	43,417
Other financing sources:			
Transfers in:			
General fund	40,000	40,000	
Total other financing sources	40,000	40,000	-
Revenue and other sources over expenditures	\$ -	43,417	\$ 43,417
Fund balance, beginning of year		175,851	
Fund balance, end of year		\$ 219,268	

## **NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS:** Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Emergency Telephone Fund** – This fund accounts for the receipt of the 911 telephone charges and the expenditures for these funds.

**Seized Asset Fund** - This fund accounts for the county's portion of assets seized by law enforcement. These funds are to be used by the Sheriff's Department.

**Library Reserve Fund** – This fund accounts for the donations received by the Library to be used for specific purposes for the Library.

**Drainage Districts Fund** – This fund accounts for the State grant and the matching local funds for the Upper Pasquotank River Stream Restoration.

**Friends of the Library Fund** – This fund accounts for donations earmarked for future need of the library, whether capital or operating.

**Occupancy Tax Fund** – This fund accounts for the collection of the six percent hotel room occupancy tax.

**Pasquotank County, North Carolina**

Schedule C-1

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue Funds							
	Emergency Telephone System Fund	Seized Asset Fund	Library Reserve Fund	Drainage Districts Fund	Friends of the Library	Occupancy Tax Fund	Total Nonmajor Governmental Funds	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 242,587	\$ 68,901	\$ 13,003	\$ 17,274	\$ 790	\$ -	\$ 342,555	
Assessments receivable				640			640	
Other receivables	94,107		162				94,269	
Total assets	<u>\$ 336,694</u>	<u>\$ 68,901</u>	<u>\$ 13,165</u>	<u>\$ 17,914</u>	<u>\$ 790</u>	<u>\$ -</u>	<u>\$ 437,464</u>	
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 10,276	\$ -	\$ -	\$ -	\$ 37	\$ -	\$ 10,313	
Unearned revenue				655			655	
Total liabilities	<u>10,276</u>	<u>-</u>	<u>-</u>	<u>655</u>	<u>37</u>	<u>-</u>	<u>10,968</u>	
Fund balances:								
Restricted for:								
Stabilization by State statute	94,107		162				94,269	
Emergency telephone system	232,311						232,311	
Law enforcement		68,901					68,901	
Committed for:								
Drainage				17,259			17,259	
Library			13,003		753		13,756	
Unassigned:						-	-	
Total fund balances	<u>326,418</u>	<u>68,901</u>	<u>13,165</u>	<u>17,259</u>	<u>753</u>	<u>-</u>	<u>426,496</u>	
Total liabilities and fund balances	<u>\$ 336,694</u>	<u>\$ 68,901</u>	<u>\$ 13,165</u>	<u>\$ 17,914</u>	<u>\$ 790</u>	<u>\$ -</u>	<u>\$ 437,464</u>	

**Pasquotank County, North Carolina**

Schedule C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Emergency Telephone System Fund	Seized Asset Fund	Library Reserve Fund	Drainage Districts Fund	Friends of the Library	Occupancy Tax Fund		
<b>REVENUES</b>								
Assessments	\$ -	\$ -	\$ -	\$ 4,935	\$ -	\$ -	\$	4,935
Gifts and donations			10,665		170			10,835
State E911 funds	250,767							250,767
Restricted-other	398,197					697,858		1,096,055
Restricted intergovernmental		137	-					137
Miscellaneous revenue			833	1,425	535			2,793
Investment earnings	5,187	1,394	82	330	41			7,034
Total revenues	654,151	1,531	11,580	6,690	746	697,858		1,372,556
<b>EXPENDITURES</b>								
Public safety	768,503	26,802						795,305
Environmental protection				5,885				5,885
Physical and economic development						697,858		697,858
Cultural and recreational			3,406		3,014			6,420
Total expenditures	768,503	26,802	3,406	5,885	3,014	697,858		1,505,468
Excess (deficiency) of revenues over expenditures	(114,352)	(25,271)	8,174	805	(2,268)	-		(132,912)
Net change in fund balances	(114,352)	(25,271)	8,174	805	(2,268)	-		(132,912)
Fund balances - beginning	440,770	94,172	4,991	16,454	3,021	-		559,408
Prior period adjustment	-							-
Fund balance - beginning, restated	440,770	94,172	4,991	16,454	3,021	-		559,408
Fund balances - ending	\$ 326,418	\$ 68,901	\$ 13,165	\$ 17,259	\$ 753	\$ -	\$	426,496



**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule C-3

## EMERGENCY TELEPHONE SYSTEM FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
State 911 funds	\$ 250,767	\$ 250,767	\$ -
Grant funds	479,198	398,197	(81,001)
Investment earnings	1,724	5,187	3,463
Total revenue	<u>731,689</u>	<u>654,151</u>	<u>(77,538)</u>
Expenditures:			
State 911 funds:			
Telephone	97,400	104,049	(6,649)
Maintenance-equipment	90,000	51,776	38,224
Travel and training	9,000	5,607	3,393
Departmental Supplies	10,000	1,809	8,191
Rent-copier	3,000	2,263	737
Contracted services	20,000	18,093	1,907
Grant-Back-up Center	479,198	397,697	81,501
Capital outlay	273,091	187,209	85,882
Total State 911 fund expenditures	<u>981,689</u>	<u>768,503</u>	<u>213,186</u>
Total Expenditures	<u>981,689</u>	<u>768,503</u>	<u>213,186</u>
Revenue over expenditures	<u>(250,000)</u>	<u>(114,352)</u>	<u>135,648</u>
Other financing sources (uses):			
Fund balance appropriated	250,000		(250,000)
Total other financing sources (uses):	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Excess of revenue over (under) expenditures	\$ <u>-</u>	(114,352)	\$ <u>(114,352)</u>
Fund balance, beginning of year		440,770	
Fund balance, end of year		<u>\$ 326,418</u>	

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule C-4

## SEIZED ASSET FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

From Inception and for the year ended June 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenue:				
County share - seized assets	\$ 490,100	\$ 515,066	\$ 137	\$ 515,203
Bullet proof vest program	6,575	15,573	-	15,573
Other revenue	4,825	3,089	-	3,089
Investment earnings	13,750	14,965	1,394	16,359
Total revenue	<u>515,250</u>	<u>548,693</u>	<u>1,531</u>	<u>550,224</u>
Expenditures				
Law enforcement	<u>523,750</u>	<u>454,521</u>	<u>26,802</u>	<u>481,323</u>
Other financing sources:				
Fund balance appropriated	<u>8,500</u>			
Revenue over expenditures	\$ <u>-</u>	<u>94,172</u>	(25,271)	<u>68,901</u>
Fund balance, beginning of year			<u>94,172</u>	
Fund balance, end of year			\$ <u>68,901</u>	

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule C-5

## LIBRARY RESERVE FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

---

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Restricted revenue:			
Gifts and donations	\$ 10,550	\$ 10,665	\$ 115
Miscellaneous revenue	632	833	201
Total	<u>11,182</u>	<u>11,498</u>	<u>316</u>
Investment earnings:	<u>30</u>	<u>82</u>	<u>52</u>
Total Revenue	<u>11,212</u>	<u>11,580</u>	<u>368</u>
Expenditures			
Operating expenses	10,983	2,445	8,538
Library materials	<u>593</u>	<u>961</u>	<u>(368)</u>
Total expenditures	<u>11,576</u>	<u>3,406</u>	<u>8,170</u>
Other financing sources:			
Fund balance appropriated	<u>364</u>	<u>---</u>	<u>(364)</u>
Revenue over expenditures	\$ <u>-</u>	8,174	\$ <u>8,174</u>
Fund balance, beginning of year		<u>4,991</u>	
Fund balance, end of year		\$ <u>13,165</u>	

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule C-6

## DRAINAGE DISTRICTS FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
Revenue:			
Assessments:			
River	\$ 5,300	\$ 4,935	\$ (365)
Miscellaneous revenue	1,396	1,396	
Penalties, interest & advertising		29	29
Total assessments revenue	<u>6,696</u>	<u>6,360</u>	<u>(336)</u>
Investment earnings:	<u>300</u>	<u>330</u>	<u>30</u>
Total revenue	<u>6,996</u>	<u>6,690</u>	<u>(306)</u>
Expenditures:			
Newland District			
Maintenance	6,996	5,885	1,111
Total Newland District	<u>6,996</u>	<u>5,885</u>	<u>1,111</u>
Total Expenditures	<u>6,996</u>	<u>5,885</u>	<u>1,111</u>
Revenue over expenditures	\$ <u>-</u>	805	\$ <u>805</u>
Fund balance, beginning of year		<u>16,454</u>	
Fund balance, end of year		<u>\$ 17,259</u>	

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule C-7

## FRIENDS OF THE LIBRARY FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Restricted revenue:			
Gifts and donations	\$ 100	\$ 170	\$ 70
Book Sales	900	65	(835)
Membership Dues	650	470	(180)
Miscellaneous revenue	50		(50)
Total	<u>1,700</u>	<u>705</u>	<u>(995)</u>
Investment earnings:	<u>35</u>	<u>41</u>	<u>6</u>
Total Revenue	<u>1,735</u>	<u>746</u>	<u>(989)</u>
Expenditures			
Library materials	1,224	1,212	12
Operating expenses	2,200	1,062	1,138
Capital outlay	<u>1,000</u>	<u>740</u>	<u>260</u>
Total expenditures	<u>4,424</u>	<u>3,014</u>	<u>1,410</u>
Other financing sources:			
Fund balance appropriated	<u>2,689</u>		<u>(2,689)</u>
Revenue under expenditures	<u>\$ -</u>	<u>(2,268)</u>	<u>\$ (2,268)</u>
Fund balance, beginning of year		<u>3,021</u>	
Fund balance, end of year		<u>\$ 753</u>	

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule C-8

## OCCUPANCY TAX FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

---

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Occupancy tax collections	\$ 715,000	\$ 697,858	\$ (17,142)
Total Revenue	<u>715,000</u>	<u>697,858</u>	<u>(17,142)</u>
Expenditures:			
Tourism Development Authority	715,000	697,858	17,142
Total Expenditures	<u>715,000</u>	<u>697,858</u>	<u>17,142</u>
Revenue over (under) expenditures	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

## ENTERPRISE FUNDS

---

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

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### Major:

**Landfill Fund** - This fund is used to account for the operations of the County's transfer station, recycling and solid waste activities. The Landfill no longer accepts municipal solid waste. Municipal solid waste is brought to the transfer station, where it is then hauled to an outside landfill in another county.

**Water System Fund** - This fund is used to account for the County's water operations.

**PASQUOTANK COUNTY, NORTH CAROLINA**

ENTERPRISE FUND-LANDFILL

Schedule D-1

Page 1 of 3

**SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Operating revenue:			
Tipping fees	\$ 2,562,500	\$ 2,397,779	\$ (164,721)
Solid waste fees	2,414,881	2,463,716	48,835
Penalties and interest	15,000	40,920	25,920
Other operating revenue	51,000	61,269	10,269
Total operating revenue	<u>5,043,381</u>	<u>4,963,684</u>	<u>(79,697)</u>
Non-operating revenue:			
NC Department of Revenue:			
Scrap tire tax	50,000	55,432	5,432
Solid waste disposal tax	18,000	20,690	2,690
Electronics management program	3,000	2,491	(509)
Interest earned	51,000	56,129	5,129
Sale of assets	31,500	1,500	(30,000)
Grant-reimbursement	50,000	18,176	(31,824)
Total non-operating revenue	<u>203,500</u>	<u>154,418</u>	<u>(49,082)</u>
Total revenue	<u>5,246,881</u>	<u>5,118,102</u>	<u>(128,779)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	501,265	417,255	84,010
Engineering and lab fees	36,000	34,962	1,038
Contracted services	1,250,000	1,418,536	(168,536)
Utilities and telephone	24,000	19,421	4,579
Supplies and materials	134,800	135,031	(231)
Repairs and maintenance	172,000	142,880	29,120
Other	45,770	30,290	15,480
Indirect Costs:			
Maintenance/Janitorial	18,246	18,246	
Human resources	2,924	2,924	
Administration	6,812	6,812	
Finance office	29,599	29,599	
Grant		4,034	(4,034)
Solid waste disposal tax	65,000	75,721	(10,721)
Tire disposal	85,000	119,368	(34,368)
Electronics management	30,000	24,644	5,356
Total	<u>2,401,416</u>	<u>2,479,723</u>	<u>(78,307)</u>



**PASQUOTANK COUNTY, NORTH CAROLINA**

ENTERPRISE FUND-LANDFILL

Schedule D-1

Page 2 of 3

**SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)**

FOR THE YEAR ENDED JUNE 30, 2019

	2019		Variance
	Budget	Actual	Positive (Negative)
Convenience Sites:			
Salaries and employee benefits	471,265	507,735	(36,470)
Utilities and telephone	22,000	20,539	1,461
Repairs and maintenance	75,000	69,926	5,074
Operating expenses	102,380	96,491	5,889
Landfill fees	1,337,000	1,282,004	54,996
Indirect Costs:			
Human resources	9,302	9,302	
Administration	7,275	7,275	
Finance office	18,418	18,418	
Information technology	8,316	8,316	
Total	2,050,956	2,020,006	30,950
Transfer station:			
Salaries and employee benefits	85,045	55,587	29,458
Repairs and maintenance	21,000	9,716	11,284
Operating expenses	27,600	20,484	7,116
Indirect Costs:			
Human resources	698	698	
Administration	1,416	1,416	
Finance office	3,770	3,770	
Total	139,529	91,671	47,858
Other Costs:			
Capital outlay	473,000	187,474	285,526
Under threshold	70,000	68,788	1,212
Total	543,000	256,262	286,738
Debt Service:			
Principal	11,853	11,853	
Interest and fees	127	90	37
Total	11,980	11,943	37
Total expenditures	5,146,881	4,859,605	287,276
Revenue over (under) expenditures before other financing sources and (uses)	100,000	258,497	158,497
Other financing sources (uses):			
Transfers out:			
Capital reserve-future needs	(100,000)	(100,000)	
Total	(100,000)	(100,000)	-
Revenue under expenditures and other financing sources and (uses)	\$ -	\$ 158,497	\$ 158,497

**PASQUOTANK COUNTY, NORTH CAROLINA**

ENTERPRISE FUND-LANDFILL

Schedule D-1

Page 3 of 3

**SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019		Variance Positive (Negative)
	Budget	Actual	
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenue over expenditures		\$ 158,497	
Reconciling items:			
Debt principal		11,853	
Capital outlay		187,474	
Solid waste fee adjustment		37,290	
Increase (decrease) in deferred outflows-OPEB		(911)	
(Increase) decrease in net OPEB liability		444	
(Increase) decrease in deferred inflows-OPEB		(29,025)	
Increase (decrease) in deferred outflows-pensions		50,596	
(Increase) decrease in net pension liability		(61,417)	
(Increase) decrease in deferred inflows-pensions		3,151	
Depreciation		(151,220)	
Total reconciling items		48,235	
Change in net position		\$ 206,732	

**PASQUOTANK COUNTY, NORTH CAROLINA****ENTERPRISE FUND-WATER SYSTEM****SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)****FOR THE YEAR ENDED JUNE 30, 2019**

Schedule D-2

Page 1 of 3

	2019		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Operating revenue:			
Water sales	\$ 3,389,095	\$ 3,670,652	\$ 281,557
Water sales-reverse osmosis plant	2,208,000	1,943,810	(264,190)
Reconnection fees	45,000	69,055	24,055
Penalties	40,000	39,025	(975)
Miscellaneous revenue	5,250	83,055	77,805
Sewer revenue	330,000	515,808	185,808
Other operating revenue	3,000	2,275	(725)
Total operating revenue	6,020,345	6,323,680	303,335
Non-operating revenue:			
Tower rental	37,500	41,740	4,240
Payment from City of Elizabeth City	122,583	122,583	-
Sale of assets	2,000	3,846	1,846
Insurance proceeds		2,650	2,650
Interest earned on investments	60,000	248,957	188,957
Total non-operating revenue	222,083	419,776	197,693
Total revenue	6,242,428	6,743,456	501,028
Expenditures:			
Water plant operations:			
Salaries and employee benefits	920,855	875,855	45,000
Utilities	130,000	94,479	35,521
Chemicals	135,000	103,507	31,493
Purchases for resale	1,484,000	1,487,134	(3,134)
Supplies and materials	12,000	17,615	(5,615)
Gasoline and oil	45,000	52,460	(7,460)
Other expenses	56,570	37,145	19,425
Repairs and maintenance	242,000	253,441	(11,441)
Telephone	12,500	8,970	3,530
Total	3,037,925	2,930,606	107,319
Waste water treatment plant operations:			
Salaries and employee benefits	56,095	54,450	1,645
Utilities	15,000	13,719	1,281
Chemicals	6,000	(340)	6,340
Supplies and materials	500	241	259
Repairs and maintenance	40,500	16,632	23,868
Treatment by City	100,000	21,616	78,384
Other expenses	18,680	14,195	4,485
Total	236,775	120,513	116,262

**PASQUOTANK COUNTY, NORTH CAROLINA****ENTERPRISE FUND-WATER SYSTEM****SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule D-2

Page 2 of 3

	2019		Variance
	Budget	Actual	Positive (Negative)
Expenditures (continued):			
Professional services:			
Engineering and lab fees	62,000	57,528	4,472
Legal and audit	4,540	2,712	1,828
Total	66,540	60,240	6,300
Administrative services:			
Insurance and bonds	22,000	22,859	(859)
Postage	25,000	24,637	363
Indirect Costs:			
Human resources	8,481	8,481	
Administration	28,730	28,730	
Finance office	44,660	44,660	
Janitorial/maintenance	22,680	22,680	
Information technology	11,642	11,642	
Central communications	736	736	
Other expenses	44,160	36,290	7,870
Total	208,089	200,715	7,374
Reverse osmosis plant operations:			
Salaries and employee benefits	233,093	244,818	(11,725)
Utilities	170,000	202,559	(32,559)
Chemicals	160,000	141,518	18,482
Engineering and lab fees	39,000	39,156	(156)
Legal and audit	1,000	75	925
Administrative services	11,400	4,218	7,182
Insurance	14,000	16,123	(2,123)
Supplies and materials	2,500	5,103	(2,603)
Repairs and maintenance	129,250	127,369	1,881
Gasoline and oil	8,500	2,533	5,967
Telephone	900	2,976	(2,076)
Indirect Costs:			
Human resources	2,244	2,244	
Administration	7,008	7,008	
Finance office	13,587	13,587	
Other expenses	11,450	12,157	(707)
Total	803,932	821,444	(17,512)
Debt service:			
Principal	812,226	812,226	-
Interest	321,921	314,802	7,119
Trustee fees	3,020	2,858	162
Total	1,137,167	1,129,886	7,281

**PASQUOTANK COUNTY, NORTH CAROLINA**

ENTERPRISE FUND-WATER SYSTEM

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule D-2

Page 3 of 3

	2019		Variance
	Budget	Actual	Positive (Negative)
Capital outlay:			
Capitalized:			
Vehicles and equipment	107,000	55,171	51,829
Well production improvement	625,000	55,505	569,495
Under threshold	95,000	13,194	81,806
Total	827,000	123,870	703,130
Total expenditures	6,317,428	5,387,274	930,154
Revenue over (under) expenditures before other financing sources (uses)	(75,000)	1,356,182	1,431,182
Other financing sources (uses):			
Transfer from capital reserve	75,000	75,000	
Total other financing sources (uses)	75,000	75,000	-
Revenue over (under) expenditures	\$ -	\$ 1,431,182	\$ 1,431,182

**Reconciliation from budgetary basis  
(modified accrual) to full accrual:**

Revenue over expenditures and other financing sources (uses)	\$ 1,431,182
Reconciling items:	
Principal payments	812,226
Increase (decrease) in deferred outflows-OPEB	11,595
(Increase) decrease in net OPEB liability	13,241
(Increase) decrease in deferred inflows-OPEB	(43,535)
Increase (decrease) in deferred outflows-pension	70,063
(Increase) decrease in net pension liability	(85,105)
(Increase) decrease in deferred inflows-pension	4,357
Capital outlay	110,676
Depreciation and amortization	(1,210,934)
Total reconciling items	(317,416)
Change in net position	\$ 1,113,766

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule D-3

## WATER AND SEWER CAPITAL RESERVE FUND

## SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2019

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	2019		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
System development fees	\$ 177,600	\$ 167,000	\$ (10,600)
Investment earnings	2,000	308	(1,692)
Total revenue	<u>179,600</u>	<u>167,308</u>	<u>(12,292)</u>
Expenditures:			
Reserve Funds	104,600		104,600
Revenues over (under) expenditures	<u>104,600</u>	<u>-</u>	<u>104,600</u>
Other financing sources:			
Transfers out	(75,000)	(75,000)	
Total other financing sources	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Excess of revenue over expenditures	\$ <u>-</u>	92,308	\$ <u>92,308</u>
Fund balance, beginning of year			
Fund balance, end of year		\$ <u>92,308</u>	

## AGENCY FUNDS

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Agency Funds are used to account for assets held by the County as an agent for individuals and/or other governments.

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**Social Services Fund** - This fund accounts for moneys held by the Social Services Department for the benefit of certain individuals in the County.

**City Tax Collection Fund** – This fund accounts for the taxes collected by the County on behalf of the City of Elizabeth City.

**Fines and Forfeitures Funds** – This fund accounts for various legal fines and forfeitures that the County is required to remit to the Elizabeth City-Pasquotank Public School Board of Education.

**Health Department Inspection Fees** – This fund accounts for moneys collected on behalf of the Albemarle Regional Health Services.

**Deed of Trust Fee Fund** - This fund accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage, which is remitted to the State Treasurer on a monthly basis.

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule E-1

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 3,301	\$ 12,023	\$ 5,472	\$ 9,852
Liabilities:				
Miscellaneous liabilities	\$ 3,301	\$ 12,023	\$ 5,472	\$ 9,852
<b>City tax collection</b>				
Assets:				
Cash and cash equivalents	\$ 66,906	\$ 9,122,421	\$ 9,141,199	\$ 48,128
Liabilities:				
City property taxes payable	\$ 63,382	\$ 9,036,785	9,055,901	\$ 44,266
City gross receipt tax payable	3,524	85,636	85,298	3,862
Total liabilities	\$ 66,906	\$ 9,122,421	\$ 9,141,199	\$ 48,128
<b>Fines and forfeitures</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 154,485	\$ 154,485	\$ -
Liabilities:				
Fines and forfeitures payable	\$ -	\$ 154,485	\$ 154,485	\$ -
Total liabilities	\$ -	\$ 154,485	\$ 154,485	\$ -
<b>Health department fee collections</b>				
Assets:				
Cash and cash equivalents	\$ 1,295	\$ 16,414	\$ 16,917	\$ 792
Liabilities:				
Due to Health Department	\$ 1,295	\$ 16,414	\$ 16,917	\$ 792
<b>Deed of Trust Fee Fund</b>				
Assets:				
Cash and cash equivalents	\$ 2,040	\$ 22,679	\$ 22,630	\$ 2,089
Liabilities:				
Due to State Treasurer	\$ 2,040	\$ 22,679	\$ 22,630	\$ 2,089
<b>Total All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 73,542	\$ 9,328,022	\$ 9,340,703	\$ 60,861
Liabilities:				
Miscellaneous liabilities	\$ 3,301	\$ 12,023	\$ 5,472	\$ 9,852
City property taxes payable	63,382	9,036,785	9,055,901	44,266
City gross receipt tax payable	3,524	85,636	85,298	3,862
Fines and forfeitures payable	-	154,485	154,485	-
Due to Health Department	1,295	16,414	16,917	792
Due to State Treasurer	2,040	22,679	22,630	2,089
Total liabilities	\$ 73,542	\$ 9,328,022	\$ 9,340,703	\$ 60,861



## **CAPITAL ASSETS**

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This section represents a summary of the general capital assets of Pasquotank County, other than capital assets of the Enterprise Funds.

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**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule F-1

**SCHEDULE OF GENERAL CAPITAL ASSETS****BY SOURCE****JUNE 30, 2019**

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2019

## General Capital Assets:

Land	\$ 5,646,249
Construction in progress	504,786
Buildings	55,832,884
Equipment	7,669,855
Vehicles and motorized equipment	7,719,357
Infrastructure	2,611,260
Accumulated depreciation	<u>(40,864,834)</u>
Total general capital assets	\$ <u>39,119,557</u>

## Investment in general capital assets by source:

Capital Assets Acquired Prior to July 1, 1997:	\$ 21,596,120
Capital Assets Acquired After July 1, 1997:	
General Fund	15,240,773
State Revenue	2,496,616
Federal Revenue	252,664
Installment Purchases	39,893,432
Construction in progress	504,786
Accumulated depreciation	<u>(40,864,834)</u>
Total investment in general capital assets	\$ <u>39,119,557</u>

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule F-2

**SCHEDULE OF GENERAL CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY  
JUNE 30, 2019**

Function and Activity	Land	Construction in Progress	Buildings	Furniture Fixtures and Office Equipment	Vehicles and Motorized Equipment	Land Improvements and Infrastructure	Total
General government							
Administration	\$	\$	\$	\$	\$ 72,703	\$	\$ 72,703
Finance				8,300			8,300
Taxes				335,611	14,644		350,255
Register of deeds				88,000			88,000
Public buildings	1,098,686		14,163,138	260,186	17,594	13,388	15,552,992
Court Facilities				56,764			56,764
Other-unclassified	1,558,553	504,786	5,106,618	188,021	17,180		7,375,158
Total general government	<u>2,657,239</u>	<u>504,786</u>	<u>19,269,756</u>	<u>936,882</u>	<u>122,121</u>	<u>13,388</u>	<u>23,504,172</u>
Public safety:							
Sheriff				276,694	1,935,015		2,211,709
Jail			23,047,596	459,143			23,506,739
Emergency communications	53,452		12,656	4,274,898			4,341,006
Fire	172,587		440,437	285,922	3,478,854		4,377,800
Emergency management			13,904	33,159	157,973		205,036
Inspections				24,500	61,170		85,670
Emergency medical services	45,150		408,910	1,065,370	1,473,356		2,992,786
Animal Control			11,965		79,767		91,732
Total public safety	<u>271,189</u>		<u>23,935,468</u>	<u>6,419,686</u>	<u>7,186,135</u>		<u>37,812,478</u>
Environmental protection:	<u>200,507</u>						<u>200,507</u>
Total environmental protection	<u>200,507</u>						<u>200,507</u>
Economic and physical development:							
Economic development	1,897,443		1,446,058	33,679	15,203	989,103	4,381,486
Agricultural extension			739,812		23,993		763,805
Total economic and physical development	<u>1,897,443</u>		<u>2,185,870</u>	<u>33,679</u>	<u>39,196</u>	<u>989,103</u>	<u>5,145,291</u>
Human services:							
Health			199,239				199,239
Social services	82,839		4,379,271	207,192	130,633		4,799,935
Total human services	<u>82,839</u>		<u>4,578,510</u>	<u>207,192</u>	<u>130,633</u>		<u>4,999,174</u>
Cultural and recreational:							
Recreational	521,094		651,507	29,417	115,628	1,608,769	2,926,415
Library	15,938		5,211,773	42,999	72,438		5,343,148
Total cultural and recreational	<u>537,032</u>		<u>5,863,280</u>	<u>72,416</u>	<u>188,066</u>	<u>1,608,769</u>	<u>8,269,563</u>
Education:							
Public schools					24,298		24,298
Community College					28,908		28,908
Total education					<u>53,206</u>		<u>53,206</u>
Accumulated depreciation			<u>(26,832,050)</u>	<u>(7,118,368)</u>	<u>(5,544,197)</u>	<u>(1,370,219)</u>	<u>(40,864,834)</u>
Total general capital assets	<u>\$ 5,646,249</u>	<u>\$ 504,786</u>	<u>\$ 29,000,834</u>	<u>\$ 551,487</u>	<u>\$ 2,175,160</u>	<u>\$ 1,241,041</u>	<u>\$ 39,119,557</u>

**PASQUOTANK COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the Year Ended June 30, 2019**

Schedule F-3

<b>Function and Activity</b>	<b>General Capital Assets July 1, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers and Adjustments</b>	<b>General Capital Assets June 30, 2019</b>
General government:					
Administration	\$ 72,703	\$	\$	\$	\$ 72,703
Finance	8,300				8,300
Taxes	350,255				350,255
Register of deeds	88,000				88,000
Public buildings	15,552,134		17,059	17,917	15,552,992
Court facilities	56,764				56,764
Construction in progress	368,554	277,264	141,032		504,786
Other - unclassified	6,808,166	62,206			6,870,372
Total general government	23,304,876	339,470	158,091	17,917	23,504,172
Public safety:					
Sheriff	2,126,540	133,849	48,680		2,211,709
Jail	23,506,739				23,506,739
Emergency communications	3,871,946	469,060			4,341,006
Fire	4,262,782	115,018			4,377,800
Emergency management	197,477	7,559			205,036
Inspections	85,670				85,670
Emergency medical services	2,875,936	377,042	260,192		2,992,786
Animal control	122,801		13,152	(17,917)	91,732
Total public safety	37,049,891	1,102,528	322,024	(17,917)	37,812,478
Environmental protection	200,507				200,507
Total environmental protection	200,507				200,507
Economic and physical development:					
Economic development	4,381,486				4,381,486
Agricultural extension	763,805				763,805
Total economic and physical development	5,145,291		-	-	5,145,291
Human services:					
Health	199,239				199,239
Social services	4,774,798	25,137			4,799,935
Total human services	4,974,037	25,137			4,999,174
Cultural and recreational:					
Recreational	2,926,415				2,926,415
Cultural	5,342,408	740			5,343,148
Total cultural and recreational	8,268,823	740	-	-	8,269,563
Education:					
Public schools	24,298				24,298
Community college	28,908				28,908
Total education	53,206	-	-	-	53,206
Accumulated depreciation	(38,448,766)	(2,714,353)	298,285		(40,864,834)
Total general capital assets	\$ 40,547,865	\$ (1,246,478)	\$ (181,830)	\$ -	\$ 39,119,557

## GOVERNMENTAL LONG-TERM DEBT OBLIGATIONS

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The section shows changes in the governmental long-term debt obligations of the County.

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**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule G-1

**SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Governmental Long-Term Debt July 1, 2018	Additions	Retirements	Governmental Long-Term Debt June 30, 2019
Governmental Long-Term Debt Payable:				
Installment purchases	\$ 27,153,898	\$ 1,735,000	\$ 2,623,311	\$ 26,265,587
Advance refunding	7,509,582		859,687	6,649,895
Certificates of Participation	3,005,000		1,460,000	1,545,000
Qualified School Construction Bonds	1,200,000		133,333	1,066,667
Unamortized premium on COPS	224,206		58,436	165,770
Vacation payable	822,393	553,862	551,036	825,219
Net Pension Liability-LGERS	2,683,031	1,328,400		4,011,431
Unfunded other post employment benefits	15,298,631	262,656	176,411	15,384,876
Unfunded pension obligation-LEOSSA	1,204,649		87,726	1,116,923
	<u>\$ 59,101,390</u>	<u>\$ 3,879,918</u>	<u>\$ 5,949,940</u>	<u>\$ 57,031,368</u>

## By purpose:

Education	\$ 17,191,380	\$ 1,300,000	\$ 3,045,228	\$ 15,446,152
Fire and Public Safety	15,991,364	435,000	1,172,563	15,253,801
General government	5,685,736		858,540	4,827,196
Unamortized premium on COPS	224,206		58,436	165,770
Net Pension Liability-LGERS	2,683,031	1,328,400		4,011,431
Other post employment benefits	15,298,631	262,656	176,411	15,384,876
Unfunded pension obligation-LEOSSA	1,204,649		87,726	1,116,923
Vacation pay	822,393	553,862	551,036	825,219
	<u>\$ 59,101,390</u>	<u>\$ 3,879,918</u>	<u>\$ 5,949,940</u>	<u>\$ 57,031,368</u>

## OTHER SCHEDULES

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This section includes additional information on property taxes, transfers, cash and investments and ten year historical data.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule H-1

## GENERAL FUND

## SCHEDULE OF AD VALOREM TAXES RECEIVABLE

June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2018</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$	\$ 25,576,657	\$ 24,845,254	\$ 731,403
2017-2018	803,812		401,452	402,360
2016-2017	328,975		110,790	218,185
2015-2016	174,533		49,518	125,015
2014-2015	126,814		33,899	92,915
2013-2014	123,616		20,383	103,233
2012-2013	78,169		10,477	67,692
2011-2012	55,747		5,099	50,648
2010-2011	43,249		3,120	40,129
2009-2010	40,345		812	39,533
2008-2009	32,457		32,457	-
	<u>\$ 1,807,717</u>	<u>\$ 25,576,657</u>	<u>\$ 25,513,261</u>	<u>1,871,113</u>
Less: allowance for uncollected ad valorem taxes receivable - General Fund				(224,533)
Ad valorem taxes receivable, net				<u>\$ 1,646,580</u>
Reconcilement with revenues:				
Ad valorem taxes, General Fund				<u>\$ 25,544,139</u>
Taxes written off				32,225
Collections on taxes previously written off				(134)
Discounts, refunds and releases				104,879
Loss of present value exemption				(1,425)
Advertising fees collected				(3,886)
Interest collected				(162,537)
Total reconciling items				<u>(30,878)</u>
Total collections and credits				<u>\$ 25,513,261</u>



**PASQUOTANK COUNTY, NORTH CAROLINA**

Schedule H-2

**ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2019**

	County-wide			Total Levy	
	Total Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 3,215,907,633	0.77	\$ 24,764,348	\$ 22,267,592	\$ 2,496,756
Public service companies	86,741,268	0.77	667,908	667,908	
Penalties			2,203	2,203	
Total	<u>3,302,648,901</u>		<u>25,434,459</u>	<u>22,937,703</u>	<u>2,496,756</u>
Discoveries:					
Current year taxes	17,029,961	0.77	157,711	157,711	
Prior year taxes		various	15,365	15,365	
Penalties			10,427	10,427	
Total	<u>17,029,961</u>		<u>183,503</u>	<u>183,503</u>	<u>0</u>
Releases	<u>(5,374,068)</u>		<u>(41,305)</u>	<u>(41,305)</u>	
Total property valuation	<u>\$ 3,314,304,794</u>				
Net levy			25,576,657	23,079,901	2,496,756
Uncollected taxes at June 30, 2019			731,403	731,403	
Current year's tax collections and credits			<u>\$ 24,845,254</u>	<u>\$ 22,348,498</u>	<u>\$ 2,496,756</u>
Current levy collection percentage			<u>97.14%</u>	<u>96.83%</u>	<u>100.00%</u>

## STATISTICAL SECTION

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This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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# PASQUOTANK COUNTY, NORTH CAROLINA

Table 1

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 19,578,124	\$ 19,061,023	\$ 18,839,243	\$ 18,432,376	\$ 18,573,062	\$ 18,017,943	\$ 18,137,713	\$ 18,304,840	\$ 18,250,889	\$ 18,396,347
Restricted	1,108,209	5,017,244	6,859,588	4,737,829	5,281,147	5,478,471	5,428,803	5,412,104	5,290,307	6,267,194
Unrestricted	(22,615,140)	(25,188,019)	(24,632,815)	(23,595,264)	(22,268,820)	(20,323,040)	(17,848,390)	(16,407,855)	(23,952,748)	(22,268,261)
	(1,928,807)	(1,109,752)	1,066,016	(425,059)	1,585,389	3,173,374	5,718,126	7,309,089	(411,552)	2,395,280
<b>Business-type Activities:</b>										
Net investment in capital assets	\$ 18,503,206	\$ 19,129,395	\$ 20,266,898	\$ 16,087,528	\$ 15,794,769	\$ 15,152,613	\$ 14,727,763	\$ 14,493,610	\$ 14,262,845	\$ 14,023,770
Unrestricted	5,484,704	6,174,037	6,431,666	6,708,445	7,435,642	8,744,802	10,053,020	11,495,605	12,507,405	14,159,286
	\$ 23,987,910	\$ 25,303,432	\$ 26,698,564	\$ 22,795,973	\$ 23,230,411	\$ 23,897,415	\$ 24,780,783	\$ 25,989,215	\$ 26,770,250	\$ 28,183,056
<b>Primary Government:</b>										
Net investment in capital assets	\$ 38,081,330	\$ 38,190,418	\$ 39,106,141	\$ 34,519,904	\$ 34,367,831	\$ 33,170,556	\$ 32,865,476	\$ 32,798,450	\$ 32,513,734	\$ 32,420,117
Restricted	1,108,209	5,017,244	6,859,588	4,737,829	5,281,147	5,478,471	5,428,803	5,412,104	5,290,307	6,267,194
Unrestricted	(17,130,436)	(19,013,982)	(18,201,149)	(16,886,819)	(14,833,178)	(11,578,238)	(7,795,370)	(4,912,250)	(11,445,343)	(8,108,975)
	\$ 22,059,103	\$ 24,193,680	\$ 27,764,580	\$ 22,370,914	\$ 24,815,800	\$ 27,070,789	\$ 30,498,909	\$ 33,298,304	\$ 26,358,698	\$ 30,578,336

# PASQUOTANK COUNTY, NORTH CAROLINA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

Table 2

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
<b>Expenses</b>										
Governmental Activities										
General government	\$ 4,710,473	\$ 4,128,307	\$ 4,504,717	\$ 4,371,407	\$ 4,866,691	\$ 4,366,415	\$ 4,497,581	\$ 4,541,625	\$ 4,823,243	\$ 4,932,781
Public safety	10,257,619	11,394,309	12,115,245	12,153,277	12,767,074	13,043,334	14,267,608	15,013,392	14,694,971	15,012,070
Environmental protection		11,212	4,080	19,000	4,800	14,000			4,075	5,885
Economic and physical development	1,370,043	1,298,227	1,430,160	1,675,143	1,389,285	1,439,860	1,631,392	1,699,440	2,955,056	2,735,419
Human services	8,912,562	8,984,132	9,408,383	9,028,559	8,661,071	9,003,914	9,562,791	9,443,791	7,931,107	8,288,700
Cultural and recreation	1,367,436	1,544,926	1,865,816	1,661,193	1,670,523	1,770,294	1,782,318	1,828,863	1,861,477	1,976,225
Education	11,259,480	11,138,414	11,333,034	13,416,412	11,426,506	11,974,898	12,543,814	14,566,361	14,407,691	15,446,494
Interest on long-term debt	2,446,438	2,424,192	2,474,996	2,402,853	1,904,302	1,779,981	1,648,469	1,514,601	1,413,622	1,290,935
Total governmental activities expenses	\$ 40,324,051	\$ 40,923,719	\$ 43,136,431	\$ 44,727,844	\$ 42,690,252	\$ 43,392,696	\$ 45,933,973	\$ 48,608,073	\$ 48,091,242	\$ 49,688,509
Business-type activities:										
Landfill	4,383,651	4,141,938	4,396,341	4,381,824	4,336,684	4,321,414	4,423,469	4,556,483	4,576,940	4,848,660
Water and Sewer	2,426,328	2,398,788	2,944,424	5,591,137	5,554,140	5,911,650	5,411,199	5,206,884	5,499,936	5,704,690
Total business-type activities expenses	\$ 6,809,979	\$ 6,540,726	\$ 7,340,765	\$ 9,972,961	\$ 9,890,824	\$ 10,233,064	\$ 9,834,668	\$ 9,763,367	\$ 10,076,876	\$ 10,553,350
Total primary government expenses	\$ 47,134,030	\$ 47,464,445	\$ 50,477,196	\$ 54,700,805	\$ 52,581,076	\$ 53,625,760	\$ 55,768,641	\$ 58,371,440	\$ 58,168,118	\$ 60,241,859
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,343,557	\$ 1,684,997	\$ 1,951,827	\$ 1,938,918	\$ 1,887,423	\$ 2,029,493	\$ 1,908,641	\$ 2,513,412	\$ 1,946,979	\$ 1,910,745
Public safety	2,923,251	3,081,410	3,184,866	4,163,785	3,879,152	4,480,914	5,044,494	5,041,107	4,744,855	5,471,673
Environmental protection			5,244	5,300	5,200	5,184	5,210	5,185	5,161	6,499
Economic and physical development	4,443	10,461	85,787	85,030	77,615	80,216	81,326	12,717	13,256	12,097
Human services	211,169	96,692	77,100	61,948	83,117	56,238	75,894	50,119	62,428	38,575
Cultural and recreation	186,858	136,144	158,493	123,283	31,871	29,197	25,165	23,935	22,571	21,647
Operating grants and contributions	8,221,799	8,355,095	9,381,415	7,948,607	7,806,257	8,316,899	8,739,444	8,788,995	7,423,181	7,173,501
Capital grants and contributions	35,000	35,000	43,000	25,000	40,000	40,000	40,000	40,000	40,000	40,000
Total governmental activities program revenues	12,926,077	13,399,799	14,887,732	14,351,871	13,810,635	15,038,141	15,920,174	16,475,470	14,258,431	14,674,737

Business-type activities:

Charges for services:

Landfill	4,238,559	4,281,866	4,665,273	4,779,675	4,722,863	4,728,688	4,899,681	5,044,292	4,999,796	5,000,974
Water and Sewer	2,715,952	3,268,556	3,182,532	4,599,497	5,214,783	5,970,406	5,559,760	5,640,934	5,882,659	6,323,680
Operating grants and contributions	99,131	292,944	478,881	266,061	316,820	289,536	263,650	244,353	249,495	219,372
Capital grants and contributions	835,931	90,731	500,000		27,083					167,000
Total business-type activities program revenues	7,889,573	7,934,097	8,826,686	9,645,233	10,281,549	10,988,630	10,723,091	10,929,579	11,131,950	11,711,026
Total primary government revenues	\$ 20,815,650	\$ 21,333,896	\$ 23,714,418	\$ 23,997,104	\$ 24,092,184	\$ 26,026,771	\$ 26,643,265	\$ 27,405,049	\$ 25,390,381	\$ 26,385,763

Net (Expense)/Revenue

Governmental Activities	(27,397,974)	(27,523,920)	(28,248,699)	(30,375,973)	(28,879,617)	(28,354,555)	(30,013,799)	(32,132,603)	(33,832,811)	(35,013,772)
Business-type activities	1,079,594	1,393,371	1,485,921	(327,728)	390,725	755,566	888,423	1,166,212	1,055,074	1,157,676
Total primary government net (expense)/revenue	\$ (26,318,380)	\$ (26,130,549)	\$ (26,762,778)	\$ (30,703,701)	\$ (28,488,892)	\$ (27,598,989)	\$ (29,125,376)	\$ (30,966,391)	\$ (32,777,737)	\$ (33,856,096)

General Revenues and Other Changes in Net Position

Governmental Activities:

Property taxes, levied for general purpose	\$ 19,370,976	\$ 20,293,760	\$ 20,980,483	\$ 21,143,588	\$ 22,424,968	\$ 22,496,725	\$ 22,983,747	\$ 23,471,045	\$ 25,716,094	\$ 25,636,964
Local option sales tax	6,069,578	6,299,533	6,616,271	6,745,157	6,552,816	7,143,039	7,576,662	7,684,369	7,801,485	9,456,911
Other taxes and licenses	1,057,786	1,293,048	1,160,421	1,135,736	1,331,191	1,059,329	1,459,084	1,556,043	2,347,523	1,830,518
Investment earnings	91,839	54,475	66,529	51,099	53,767	86,969	106,796	123,466	180,119	317,233
Unrestricted intergovernmental	52,812	98,843	100,955	94,163	102,098	110,548	101,525	106,073	105,122	104,569
Gain (loss) on sale of assets	(14,851)									
Special item-gain on sale of beach property			1,199,122							
Special item-transfer to Albemarle Hospital			(799,123)							
Special item-interest earnings								855,939		
Miscellaneous, unrestricted	250,631	164,054	720,328	155,687	425,225	238,738	230,737	235,251	494,239	374,409
Transfers	139,262	139,262	139,262	135,781			100,000	100,000	100,000	100,000
Total Governmental Activities:	\$ 27,018,033	\$ 28,342,975	\$ 30,184,248	\$ 29,461,211	\$ 30,890,065	\$ 31,135,348	\$ 32,558,551	\$ 34,132,186	\$ 36,744,582	\$ 37,820,604

Business-type Activities:

Investment earnings	41,177	16,951	5,663	32,486	40,881	53,284	69,126	79,327	135,355	305,394
Gain on sale of assets	13,800									
Miscellaneous, unrestricted	23,700	44,462	42,810	40,710	2,832	17,185	70,443	62,893	48,614	49,736
Transfers	(139,262)	(139,262)	(139,262)	(135,781)			(100,000)	(100,000)	(100,000)	(100,000)
Special item-transfer of sewer line				(3,751,568)						
Total Business-type Activities:	(60,585)	(77,849)	(90,789)	(3,814,153)	43,713	70,469	39,569	42,220	83,969	255,130
Total primary government	\$ 639,068	\$ 2,134,577	\$ 3,330,681	\$ (5,056,643)	\$ 2,444,886	\$ 3,606,828	\$ 3,472,744	\$ 3,208,015	\$ 4,050,814	\$ 4,219,638

Change in Net Position

Governmental activities	(379,941)	819,055	1,935,549	(914,762)	2,010,448	2,780,793	2,544,752	1,999,583	2,911,771	2,806,832
Business-type activities	1,019,009	1,315,522	1,395,132	(4,141,881)	434,438	826,035	927,992	1,208,432	1,139,043	1,412,806
Total primary government	\$ 639,068	\$ 2,134,577	\$ 3,330,681	\$ (5,056,643)	\$ 2,444,886	\$ 3,606,828	\$ 3,472,744	\$ 3,208,015	\$ 4,050,814	\$ 4,219,638

**PASQUOTANK COUNTY, NORTH CAROLINA**

Table 3

**FUND BALANCES, GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year				
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
General Fund					
Nonspendable	\$ 435,836	\$ 339,869	\$ 250,564	\$ 250,977	\$ 369,221
Committed	325,066	210,503	216,661	144,843	28,929
Restricted	3,683,746	3,877,316	6,108,197	4,240,297	4,970,515
Assigned:					
Subsequent year's expenditures	32,720	310,763	466,531	550,843	633,987
Unassigned	4,307,545	4,287,554	4,780,874	4,847,735	4,852,615
Total General Fund	<u>\$ 8,784,913</u>	<u>\$ 9,026,005</u>	<u>\$ 11,822,827</u>	<u>\$ 10,034,695</u>	<u>\$ 10,855,267</u>
All other governmental funds					
Restricted:	\$ 41,274	\$ 39,806	\$ 17,422	\$ 17,422	\$ 497,532
Committed:					31,665
Assigned:					
Subsequent year's expenditures		270,410			
Unassigned:					
Special Revenue	957,449	378,030	717,383	717,383	836
Total all other governmental funds	<u>\$ 998,723</u>	<u>\$ 688,246</u>	<u>\$ 734,805</u>	<u>\$ 734,805</u>	<u>\$ 530,033</u>

	Fiscal Year				
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
General Fund					
Nonspendable	\$ 72,325	\$ 406	\$ 14,076	\$ 11,238	\$ 10,439
Committed	52,588	93,234	134,241	175,851	655,945
Restricted	5,150,051	5,096,632	4,812,206	4,755,290	5,871,713
Assigned:					
Subsequent year's expenditures	712,643	611,637	606,526	563,860	700,000
Unassigned	5,628,244	6,031,553	8,445,410	9,436,687	9,559,897
Total General Fund	<u>\$ 11,615,851</u>	<u>\$ 11,833,462</u>	<u>\$ 14,012,459</u>	<u>\$ 14,942,926</u>	<u>\$ 16,797,994</u>
All other governmental funds					
Restricted:	\$ 370,457	\$ 328,420	\$ 599,898	\$ 535,017	\$ 395,481
Committed:	27,786	19,232	26,653	24,391	31,015
Assigned:					
Subsequent year's expenditures					
Unassigned:					
Special Revenue					
Total all other governmental funds	<u>\$ 398,243</u>	<u>\$ 347,652</u>	<u>\$ 626,551</u>	<u>\$ 559,408</u>	<u>\$ 426,496</u>

**PASQUOTANK COUNTY, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

Table 4

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>Revenues</b>										
Ad valorem taxes and assessments	\$ 19,292,028	\$ 20,401,765	\$ 20,996,929	\$ 21,135,591	\$ 22,347,619	\$ 22,471,799	\$ 22,870,523	\$ 23,589,387	\$ 25,696,721	\$ 25,544,139
Other taxes and licenses	7,132,602	7,598,823	7,781,109	7,885,238	7,887,940	8,212,043	9,039,814	9,244,163	10,156,923	11,300,480
Permits and fees	376,496	357,957	406,616	437,223	375,341	481,275	582,538	407,950	405,268	404,548
Charges for services	3,108,301	3,638,588	3,775,887	4,498,508	4,354,985	4,850,640	4,850,395	4,931,917	4,691,355	5,254,084
Intergovernmental	7,319,091	7,449,731	8,439,374	7,083,115	6,979,502	7,405,974	7,713,972	7,762,526	6,416,266	6,116,196
Investment earnings	93,430	55,885	67,729	51,731	54,459	87,925	106,796	123,466	180,119	317,233
Other revenue	2,379,780	2,274,986	3,088,314	2,572,696	2,631,846	2,658,961	3,096,253	3,725,743	3,342,164	3,406,495
Total revenues	\$ 39,701,728	\$ 41,777,735	\$ 44,555,958	\$ 43,664,102	\$ 44,631,692	\$ 46,168,617	\$ 48,260,291	\$ 49,785,152	\$ 50,888,816	\$ 52,343,175
<b>Expenditures</b>										
General government	\$ 3,470,968	\$ 3,429,210	\$ 3,610,709	\$ 3,682,197	\$ 3,912,257	\$ 3,732,368	\$ 3,712,881	\$ 3,646,697	\$ 3,921,282	\$ 4,047,832
Public safety	9,123,523	9,871,630	11,872,231	10,417,299	11,006,759	11,473,284	12,578,568	13,015,945	12,690,752	12,984,488
Environmental protection		11,212	4,080	19,000	4,800	14,000			4,075	5,885
Economic and physical development	1,219,886	1,203,993	1,316,757	1,565,136	1,276,477	1,337,550	1,513,578	1,581,074	2,835,392	2,623,753
Human services	8,624,982	8,820,738	9,062,978	8,694,627	8,515,307	8,859,207	9,210,326	8,940,363	7,490,137	7,835,587
Cultural and recreational	1,405,664	1,381,783	1,695,599	1,502,694	1,511,178	1,627,785	1,631,569	1,646,325	1,693,594	1,796,477
Education	11,222,458	11,101,392	11,296,012	13,379,390	11,407,740	11,974,898	10,750,400	11,915,869	13,399,000	13,524,000
School construction and renovations							1,787,632	2,644,710	1,002,909	1,916,712
Jail construction	265,398		2,723,982							
Construction of public safety building and library										
Capital outlay	2,093,298	1,066,141	484,653	842,611	1,502,314	753,990	651,001	1,272,434	1,504,972	1,326,843
Debt service										
Principal	3,071,793	3,217,550	3,025,455	3,873,912	4,025,805	4,419,887	4,594,235	4,568,295	4,931,365	5,076,331
Interest and fees	2,529,139	2,247,733	1,833,297	2,375,252	2,049,437	1,810,655	1,672,450	1,530,584	1,442,014	1,318,111
Total expenditures	\$ 43,027,109	\$ 42,351,382	\$ 46,925,753	\$ 46,352,118	\$ 45,212,074	\$ 46,003,624	\$ 48,102,640	\$ 50,762,296	\$ 50,915,492	\$ 52,456,019
Excess of revenues over (under) expenditures	\$ (3,325,381)	\$ (573,647)	\$ (2,369,795)	\$ (2,688,016)	\$ (580,382)	\$ 164,993	\$ 157,651	\$ (977,144)	\$ (26,676)	\$ (112,844)
<b>Other financing sources (uses)</b>										
Proceeds from installment purchase obligations		365,000	2,673,915	11,443,309	1,270,000	545,000		3,295,000	790,000	1,735,000
Proceeds from QSCB			2,000,000							
Payment to refunded bond escrow agent				(10,883,978)						
Transfers in	983,130	139,262	139,262	135,781			100,000	100,000	100,000	100,000
Transfers out	(843,868)									
Transfer (to) from component unit			(799,123)							
Sale of capital assets	25,711		1,199,122							
Total other financing sources (uses)	\$ 164,973	\$ 504,262	\$ 5,213,176	\$ 695,112	\$ 1,270,000	\$ 545,000	\$ 100,000	\$ 3,395,000	\$ 890,000	\$ 1,835,000
Net change in fund balances	\$ (3,160,408)	\$ (69,385)	\$ 2,843,381	\$ (1,992,904)	\$ 689,618	\$ 709,993	\$ 257,651	\$ 2,417,856	\$ 863,324	\$ 1,722,156
Debt service as a percentage of noncapital expenditures	13.7%	13.2%	10.5%	13.7%	13.9%	13.8%	13.2%	12.3%	12.9%	12.5%

**PASQUOTANK COUNTY, NORTH CAROLINA****ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Table 5

Fiscal Year Ended June 30	Real Property	Commercial Property	Industrial Property	Public Service Company Property	Other	Personal Property	Total Assessed Value	Total Direct Tax Rate (1)	Ratio of Assessed Value to Estimated Actual Value (2)
2010	\$ 2,305,725,642	\$ 478,622,240	\$ 57,839,760	\$ 51,951,636	\$ 164,765,422	\$ 248,575,053	\$ 3,307,479,753	0.585	88%
2011	2,326,900,797	554,431,400	57,839,760	52,532,359	186,419,729	150,786,265	3,328,910,310	0.605	97%
2012	2,359,477,398	551,061,450	57,839,760	55,314,789	188,565,800	151,222,537	3,363,481,734	0.62	103%
2013	2,350,367,220	564,459,000	57,839,760	60,344,042	210,101,856	153,440,452	3,396,552,330	0.62	107%
2014	2,245,892,762	564,459,000	57,839,760	59,301,153	227,377,514	356,589,776	3,511,459,965	0.63	120%
2015	1,882,163,656	570,103,590	57,839,760	66,637,723	237,253,773	162,842,820	2,976,841,322	0.76	101%
2016	1,902,723,849	512,226,200	57,839,760	82,438,567	297,841,524	162,716,135	3,015,786,035	0.76	104%
2017	1,931,923,925	512,226,200	57,839,760	87,383,577	312,623,833	174,122,536	3,076,119,831	0.76	96%
2018	2,017,335,265	613,683,366	57,839,760	87,286,345	317,220,832	186,311,114	3,279,676,682	0.77	96%
2019	2,024,945,723	615,823,200	57,839,760	86,741,268	324,012,618	204,942,225	3,314,304,794	0.77	90%

Note: Assessed valuations are established by the Board of Commissioners at 100 percent of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The last revaluation was completed in 2014.

(1) Per \$100 in value

(2) Ratio is applicable to real property only.



**PASQUOTANK COUNTY, NORTH CAROLINA**

Table 6

PROPERTY TAX RATES-DIRECT AND ALL OVERLAPPING GOVERNMENTS  
(PER \$100.00 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS

	Year Taxes Are Payable									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County Direct Rates										
General	\$ 0.585	\$ 0.605	\$ 0.62	\$ 0.62	\$ 0.63	\$ 0.76	\$ 0.76	\$ 0.76	\$ 0.77	\$ 0.77
Overlapping Rates:										
City Rates										
Elizabeth City	0.465	0.465	0.465	0.495	0.495	0.615	0.64	0.655	0.655	0.655
Municipal Service District	0.06	0.06	0.06	0.06	0.06	0.085	0.085	0.085	0.085	0.085

Note: Property was revalued in 2014.

**PASQUOTANK COUNTY, NORTH CAROLINA**

Table 7

**PRINCIPAL TAXPAYERS**

June 30, 2019

Name	2019		2010	
	Assessed Value	Percent Of Total Assessed Value (1)	Assessed Value	Percent Of Total Assessed Value (2)
Carolina Tel & Tel Co.	\$	0.00	\$ 17,144,294	0.52
Desert Wind Farm	175,313,200	5.29		
3 N 1, Inc.			13,489,200	0.41
Walmart Real Estate Business	18,608,100	0.56	19,538,760	0.59
Lowe's Home Centers Inc	11,694,010	0.35	12,841,210	0.39
J. W. Jones Lumber Co., Inc.			12,930,720	0.39
E P Aviation, LLC			12,353,250	0.37
Dominion North Carolina Power	37,101,722	1.12	12,157,811	0.37
Elizabeth City Health Care	11,323,500	0.34		
CT Port Elizabeth, LLC			10,352,900	0.31
Tanglewood Lake Apartments, LLC	14,560,250	0.44		
Ladicon Corporation	10,699,400	0.32		
Tanglewood Parkway, Eliz City, LLC	13,491,700	0.41		
Five C's Inc	18,623,330	0.56	13,697,965	0.41
Albemarle Electric Membership Corp	17,683,079	0.53	16,428,373	0.50

(1) Total assessed value for 18/19: \$ 3,314,304,794

(2) Total assessed value for 09/10 \$ 3,307,479,753

**PASQUOTANK COUNTY, NORTH CAROLINA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Table 8

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
2009-2010	\$ 19,392,542	\$ 18,264,649	94.18	\$ 846,792	\$ 19,111,441	98.55	\$ 1,637,297	8.44
2010-2011	20,189,010	19,250,002	95.35	944,332	20,194,334	100.03	1,530,668	7.58
2011-2012	20,899,852	19,930,829	95.28	849,264	20,780,093	99.43	1,525,451	7.30
2012-2013	21,118,477	20,131,540	94.69	810,356	20,941,896	99.42	1,552,768	7.35
2013-2014	22,322,461	21,375,071	94.76	730,423	22,105,494	99.16	1,635,949	7.33
2014-2015	22,572,277	21,771,932	95.67	538,475	22,310,407	99.12	1,767,806	7.83
2015-2016	22,983,545	22,041,137	96.45	627,565	22,668,702	98.84	1,927,215	8.39
2016-2017	23,437,650	22,564,652	96.65	810,777	23,375,429	98.63	1,797,288	7.67
2017-2018	25,372,596	24,489,372	96.83	977,821	25,467,193	99.73	1,807,717	7.12
2018-2019	25,576,657	24,845,254	97.14	612,917	25,458,171	99.54	1,871,113	7.32

Note: This schedule includes data from General Fund countywide property tax levy.

**PASQUOTANK COUNTY, NORTH CAROLINA**  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Table 9

Fiscal Year Ended June 30	Governmental Activities						Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Certificates of Participation	Unamortized Premium on COPS	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Advance Refunding	Installment Purchase	Water Revenue Bonds	Installment Purchase			
2010	\$ 25,155,000	\$ 688,245	\$ 1,885,085	\$	\$	\$ 33,984,880	\$ 16,255,744	\$ 428,046	\$ 78,397,000	5.74%	1,564
2011	23,625,000	631,188	1,738,064			32,809,351	15,728,668	347,519	74,879,790	6.84%	1,857
2012	22,030,000	574,132	1,591,043	2,000,000		33,593,567	15,161,429	409,175	75,359,346	6.36%	1,826
2013	9,945,000	516,386	1,444,022	1,866,667	10,943,309	32,165,010	14,569,130	302,644	71,752,168	6.02%	1,842
2014	8,205,000	457,950	1,297,002	1,733,333	10,943,309	31,429,559	13,950,666	193,157	68,209,976	4.99%	1,773
2015	6,985,000	399,514	1,149,980	1,600,000	10,117,655	29,880,680	13,304,879	80,413	63,518,121	4.48%	1,562
2016	5,715,000	341,078	1,002,959	1,466,666	9,240,366	27,714,087	12,630,563	58,036	58,168,755	4.02%	1,464
2017	4,395,000	282,642		1,333,333	8,373,105	28,908,407	11,756,620	35,188	55,084,295	N/A	1,386
2018	3,005,000	224,206		1,200,000	7,509,583	27,153,897	10,968,146	11,853	50,072,685	N/A	1,243
2019	1,545,000	165,770		1,066,667	6,649,895	26,265,587	10,155,920		45,848,839	N/A	

(1) Personal Income and Per Capita Income can be found in Table 12.

**PASQUOTANK COUNTY, NORTH CAROLINA**

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2019

Table 10

**Legal Debt Margin Calculation for Fiscal Year 2019**

Assessed value of taxable property	\$ 3,314,304,794
	x 0.08
Debt limit - 8 percent of assessed value	<u>265,144,384</u>
Gross debt:	
Certificates of Participation	1,545,000
Qualified School Construction Bonds	1,066,667
Bank Qualified	6,649,895
Total bonded debt	10,155,920
Installment purchase debt	<u>26,265,587</u>
Gross debt	45,683,069
Less: Enterprise Fund debt	<u>10,155,920</u>
Total amount of debt applicable to debt limit	<u>35,527,149</u>
Legal debt margin	<u>\$ 229,617,235</u>

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	264,598,380	266,312,825	269,078,539	271,724,186	280,916,797	238,147,306	241,262,883	246,089,586	262,374,135	265,144,384
Total net debt applicable to limit	<u>61,024,965</u>	<u>58,172,415</u>	<u>59,872,674</u>	<u>56,364,008</u>	<u>53,608,203</u>	<u>50,131,871</u>	<u>45,139,080</u>	<u>43,009,845</u>	<u>38,868,470</u>	<u>35,527,149</u>
Legal debt margin	203,573,415	208,140,410	209,205,865	215,360,178	227,308,594	188,015,435	196,123,803	203,079,741	223,505,665	229,617,235
Total net debt applicable to the limit as a percentage of debt limit	23.06%	21.84%	22.25%	20.74%	19.08%	21.05%	18.71%	17.48%	14.81%	13.40%

**PASQUOTANK COUNTY, NORTH CAROLINA**

Table 11

**ENTERPRISE FUND-WATER SYSTEM**  
**REVENUE BOND COVERAGE**  
**CURRENT YEAR**

Fiscal Year Ending June 30	Gross Revenue (1)	Total Expenditures (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2010	\$ 2,769,430	\$ 1,702,719	\$ 1,066,711	\$ 224,255	\$ 653,372	\$ 877,627	1.22
2011	3,490,402	1,787,680	1,702,722	527,077	752,006	1,279,083	1.40
2012	3,444,454	1,939,626	1,504,828	567,239	673,946	1,241,185	1.21
2013	4,818,289	3,501,106	1,317,183	592,298	648,566	1,240,864	1.06
2014	5,420,966	3,546,098	1,874,868	618,465	622,064	1,240,529	1.51
2015	6,173,502	3,809,589	2,363,913	645,787	594,392	1,240,179	1.90
2016	5,774,353	3,443,799	2,330,554	674,316	564,678	1,238,994	1.88
2017	5,861,232	3,422,534	2,438,698	873,943	363,253	1,237,196	1.97
2018	6,150,698	3,751,655	2,399,043	788,474	338,761	1,127,235	2.13
2019	6,737,268	4,009,802	2,399,043	812,226	314,802	1,127,028	2.42

(1) Gross revenue includes operating revenue, tower rental, sales tax refund, payment from the City and interest revenue.

(2) Expenditures do not include noncash outlays such as depreciation, amortization, and loss on sale of assets or charges for indirect costs, which are budgeted at the discretion of the Board.

**PASQUOTANK COUNTY, NORTH CAROLINA**

Table 12

**DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

Year	Population (1)	Personal Income (2)	Per Capita Income (3)	Median Age (4)	Unemployment Rate (%) (5)	Retail Sales (6)	School Enrollment (7)
2010	41,844	\$ 1,136,518,000	\$ 27,915	36.6	9.5	\$ 362,760,685	5,919
2011	40,661	1,166,885,000	28,673	36	10.1	366,958,373	5,884
2012	40,605	1,250,654,000	30,811	36.3	10.7	391,643,663	5,792
2013	40,179	1,243,010,000	31,090	39.5	10.8	430,289,252	5,691
2014	39,458	1,365,927,000	34,331	37.5	9.0	381,438,721	5,647
2015	39,655	1,415,928,000	35,550	37.4	7.8	403,989,681	5,744
2016	39,691	1,448,250,000	36,330	37.9	6.4	452,153,218	5,739
2017	39,731	1,517,160,000	38,174	38.5	5.2	477,153,630	5,606
2018	40,284	N/A	N/A	38.6	5.0	474,566,687	5,471
2019	39,842	N/A	N/A	N/A	5.1	526,137,151	5,355

## Sources:

- (1) North Carolina Department of Revenue, Tax Research Division
- (2) Bureau of Economic Analysis - Regional Economic Information for Pasquotank County
- (3) Bureau of Economic Analysis - Regional Economic Information for Pasquotank County
- (4) U.S. Census Bureau
- (5) North Carolina Department of Commerce-Division of Employment
- (6) North Carolina Department of Revenue, Tax Research Division
- (7) N.C. Public School-ADM Report-Internet

**PASQUOTANK COUNTY, NORTH CAROLINA****PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

Table 13

<u>Employer</u>	2019		2010	
	<u>Employees</u>	<u>Percentage of Total County Employment (1)</u>	<u>Employees</u>	<u>Percentage of Total County Employment (2)</u>
Elizabeth City State University	356	2.05%	N/A	N/A
Pasquotank County Board of Education	734	4.23%	1,093	6.11%
Sentara Albemarle Medical Center	918	5.29%	1,048	5.86%
U S Department of Homeland Security	1,596	9.20%	1,383	7.73%
State of NC Department of Public Safety	264	1.52%	419	2.34%
College of the Albemarle	557	3.21%	455	2.54%
Albemarle Regional Health Services	264	1.52%	355	1.99%
Pasquotank County	410	2.36%	394	2.20%
Wal-Mart Associates, Inc.	362	2.09%	440	2.46%
City of Elizabeth City	302	1.74%	285	1.59%
Food Lion	313	1.80%	N/A	N/A

Source: Employment Security Commission

(1) Based on a total labor force employed of 17,341

(2) Based on a total labor force employed of 17,884



**PASQUOTANK COUNTY, NORTH CAROLINA**

Table 14

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Function/Program	Full-Time Equivalent Employees as of December 31									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government	52.5	51	48	46	43.5	45	46	44.5	44.5	44.5
Public Safety	110	125.5	124.5	131.0	140	145.5	148.0	154.5	158	156.5
Economic and physical development	11.5	10.5	12.0	11.5	11.5	11.5	8.5	7	9	10.5
Human Services	88.0	87	87	87	86	87	90	91.5	90	92
Cultural and recreational	14.5	14	11.5	14.5	15	12	13	13	13	12
Water System	16	18	19	20	20	22	21	21	20	21
Waste Water	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Landfill/Solid Waste	28	26	27	27	27	27	28	28	28	26
Total	322.0	333.5	330.5	338.5	344.5	351.5	356.0	361.0	364.0	364.0

Source: Information provided by the Human Resources Department flexible period earnings report.

Note: A full-time employee is scheduled to work 261 days per year (365 minus two days off per week). At eight hours per day, 2,080 hours are scheduled per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

**PASQUOTANK COUNTY, NORTH CAROLINA**

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Table 15

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Register of Deeds										
Marriage licenses issued	254	239	267	205	228	269	281	279	268	260
Certified copies requested	4,422	4,878	4,996	4,847	5,734	4,513	4,656	4,820	5,724	6,422
Cultural & Recreational										
Library										
Number of volumes	68,162	73,245	82,541	78,626	85,570	81,219	83,780	90,038	85,205	85,655
Total patrons served	176,994	163,898	166,636	133,958	127,523	111,291	107,888	102,023	102,781	95,556
Public Safety:										
Sheriff's Office										
Number of arrests	836	901	820	884	879	780	851	1,261	1,271	1,008
Number of transports	175	251	230	290	281	304	295	235	314	303
Civil papers/Subpoenas served	10,517	11,185	10,731	10,863	10,106	9,259	8,174	7,550	7,110	7,073
Central Communications-911										
Calls received										
Wireline	8,939	8,871	8,237	6,663	6,773	6,521	6,832	6,073	6,745	5,585
Wireless	17,955	19,111	20,755	19,442	20,670	22,568	23,338	17,974	20,543	18,899
Emergency Medical Services										
Emergency responses	6,225	6,747	6,853	6,895	6,953	7,690	8,216	8,612	8,597	8,749
Non-emergency transports	1,170	990	1,142	2,416	3,719	3,688	3,043	3,302	3,768	4,139
Inspections department										
Building permits issued	736	803	661	753	647	645	816	785	862	1,012
Water system										
Number of customers	7,158	7,088	7,099	7,125	7,203	7,175	7,252	7,302	7,338	7,830
Sewer system										
Number of customers	19	19	19	19	18	18	18	17	18	18
Landfill Fund										
Collections in tons:										
Garbage	23,933	24,190	32,924	31,773	31,147	32,458	33,962	35,635	34,680	23,382
Construction & Demolition	10,379	7,538	9,816	10,209	10,552	6,752	14,521	12,229	13,425	14,600
Vegetative refuse	4,498	3,425	7,213	5,650	8,787	5,172	5,218	6,832	4,859	5,037
Recyclables	1,352	1,277	1,225	6,346	4,247	961	975	4,146	4,893	3,980
Electronics	N/A	51	88	153	95	114	87	60	28	35
White goods/metals	641	511	290	260	220	298	418	478	536	466
Scrap tires	786	1,021	1,106	1,046	942	841	831	919	1,329	1,201

N/A Information is not available for these years.

Source: Information provided by from data collected by individual departments and provided to the Finance Department.

# PASQUOTANK COUNTY, NORTH CAROLINA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Table 16

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fire Stations*	7	7	7	7	7	7	7	7	7	7
Emergency Medical Services										
Ambulances	8	8	9	12	12	12	13	13	13	13
Non-Emergency Vehicles						1	1	2	1	1
Quick response vehicles	7	7	5	5	5	5	6	6	6	6
Parks and Recreation*										
Number of parks	25	25	25	25	25	25	25	25	25	25
Playgrounds	10	13	13	13	13	13	13	13	13	13
Athletic fields	13	18	18	18	18	18	18	18	18	18
Total acres	336	336	336	336	336	336	336	336	336	336
Water System										
Water mains (miles)	278	278	278	278	278	278	278	278	278	278
Fire hydrants	538	545	543	543	543	545	547	548	551	551
Average daily water plant production	1,327,000	1,373,871	1,314,833	1,499,000	1,605,284	1,780,212	1,803,454	1,664,000	1,664,000	1,637,000
Waste Water System										
Average daily waste water treated	112,340	125,718	117,138	116,647	132,564	161,809	130,278	53,500	47,000	46,000

Source: Information provided by from data collected by individual departments and the City of Elizabeth City and provided to the Finance Department.

\* Includes City of Elizabeth City

## COMPLIANCE SECTION



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

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

**Independent Auditor's Report**

To the Board of County Commissioners  
Pasquotank County  
Elizabeth City, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pasquotank County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the Pasquotank County's basic financial statements, and have issued our report thereon dated November 22, 2019. Our report includes a reference to other auditors who audited the financial statements of the Albemarle Hospital Authority and EC-PC Tourism Development Authority, as described in our report on Pasquotank 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 Albemarle Hospital Authority and EC-PC Tourism Development Authority 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 Pasquotank 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 Pasquotank County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs listed 2019 - 001 that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pasquotank County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items, listed as 2019-001.

### **Pasquotank County's Response to Findings**

Pasquotank County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Pasquotank 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.

Thompson, Price, Scott, Adams & Co., PA  
Wilmington, North Carolina  
November 22, 2019



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 3  
Wilmington, North Carolina 28403  
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## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of County Commissioners  
Pasquotank County  
Elizabeth City, North Carolina

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

We have audited Pasquotank County, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Pasquotank County's major federal programs for the year ended June 30, 2019. Pasquotank 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 Pasquotank 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 Pasquotank 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 Pasquotank County's compliance.

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

In our opinion, Pasquotank 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.

### **Other Matters**

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

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

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

Management of Pasquotank 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 Pasquotank County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs 2019 - 001 that we consider to be a material weakness.

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

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

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

*Wilmington, North Carolina*

*November 22, 2019*



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

**Independent Auditor's Report**

To the Board of County Commissioners  
Pasquotank County  
Elizabeth City, North Carolina

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

We have audited Pasquotank 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 the Pasquotank County's major state programs for the year ended June 30, 2019. Pasquotank 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 Pasquotank 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 the Pasquotank 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 Pasquotank County's compliance.

## Opinion on Each Major State Program

In our opinion, Pasquotank 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 Pasquotank 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 the Pasquotank County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

Wilmington, North Carolina

November 22, 2019

**PASQUOTANK COUNTY  
ELIZABETH CITY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Section I. Summary of Auditor's Results

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Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? ☒ Yes ☐ No

Significant Deficiency(s) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☒ Yes ☐ No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? ☒ Yes ☐ No

Significant Deficiency(s) identified? ☐ Yes ☒ None Reported

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

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

State Awards

Internal control over major State programs:

Material weaknesses identified? ☐ Yes ☒ No

Significant Deficiency(s) identified? ☐ Yes ☒ None Reported

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

**PASQUOTANK COUNTY  
ELIZABETH CITY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Identification of major State programs:

Program Name

Public School Building Capital Funds

**PASQUOTANK COUNTY  
ELIZABETH CITY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Section II. Financial Statement Findings

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**Finding: 2019 – 001 See Federal Findings**

**PASQUOTANK COUNTY  
ELIZABETH CITY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Section III. Federal Award Findings and Questioned Costs

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MATERIAL WEAKNESS

MATERIAL NONCOMPLIANCE

US Department of Agriculture

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

**Finding: 2019 – 001**

**Eligibility**

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

Condition: There were fourteen (14) errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

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

Context: We examined 60 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued spreadsheet to the North Carolina Department of Health and Human Services and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

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

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

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Section IV. State Award Findings and Questioned Costs

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None Reported.



**PASQUOTANK COUNTY  
ELIZABETH CITY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Section II. Financial Statement Findings

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Finding: 2019 – 001 See Federal Findings

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Section III. Federal Award Findings and Questioned Costs

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Finding 2019 – 001      Name of contact person: Melissa Stokley, Director of Social Services

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created "Documentation Policy" to remind each of the policies and procedures to be followed in the application process. Supervisors will review action reports regularly to determine if correct was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

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

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Section IV. State Award Findings and Questioned Costs

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None Reported.



**PASQUOTANK COUNTY**  
**ELIZABETH CITY, NORTH CAROLINA**

Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2019

Status:	2016-001	Corrected.
	2016-002	Corrected.

**PASQUOTANK COUNTY, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule I-1

Page 1 of 4

Grantor/Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed- through to Subrecipients	Local Expenditures
<b>Federal Grants:</b>						
U.S. Department of Health and Human Services						
Passed through N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Temporary Assistance to Needy Families Cluster						
Temporary Assistance to Needy Families (TANF)/Work First	93.558		\$ 471,122	\$		407,656
Temporary Assistance to Needy Families	93.558					(62)
Total TANF Cluster			471,122			407,594
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning: Families for Kids	93.645		10,210			3,304
Social Services Block Grant-Other Services and Training	93.667		158,092			47,996
Total for Stephanie Tubbs Jones Child Welfare Services Program			168,302			51,300
<u>Foster Care and Adoption Cluster (Note 4 and 5)</u>						
Title IV-E Foster Care - Administration	93.658		106,783	18,645		88,121
Foster Care	93.658					23,749
Family Preservation	93.556		7,622			
Title IV-E Optional Adoption Assistance	93.659		11,946			4,946
Adoption Assistance	93.659					51,473
Total Foster Care and Adoption Cluster (Note 4 and 5)			126,351	18,645		168,289
Low Income Home Energy Assistance						
Energy Assistance Payments	93.568		473,251	444		
Chafee Foster Care Independence Programs	93.674		828	207		
N.C. Child Support Enforcement Section	93.563		376,599			186,472
<u>Division of Child Development and Early Education:</u>						
Subsidized Child Care: (Note 3, 4 and 5)						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Mandatory and Match Fund - Administration	93.596		81,608			
U.S. Department of Justice						
Federal Bureau of Investigation	16.111	SE-NCE-0257	3,150			666

**PASQUOTANK COUNTY, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule I-1

Page 2 of 4

Grantor/Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed- through to Subrecipients	Local Expenditures
<b>Federal Grants Continued:</b>						
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Department of Public Safety:						
Division of Governor's Crime Commission Emergency Management Program Grant	97.042	EPMG-2018-18069	59,149			76,003
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Department of Public Safety:						
Division of Emergency Management Homeland Security/Health Care Facilities Evacuation Exercise	97.067	EMW-2018-SS-00053	1,095			
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Department of Public Safety:						
Division of Emergency Management						
Pasquotank County Elevation of (1) Residential Structure	97.039	HMGP 4285-0005-R	1,292	431		
Pasquotank County Acquisition of (5) Residential Structures	97.039	HMGP 4285-0006-R	5,143	1,714		
<u>U.S. Department of Health and Human Services</u>						
<u>Centers for Medicare and Medical Services</u>						
Passes-through the N.C. Dept of Health and Human Services						
Division of Health Benefits:						
Direct Benefit Payments						
Medical Assistance Program	93.778					2,997
Division of Social Service						
Administration:						
Medical Assistance Program (Note 5)	93.778		1,623,880	3,998		581,128
State Children's Insurance Program - N.C. Health Choice (Note 5)	93.767		54,868			
<u>U.S. Department of Agriculture</u>						
<u>Food and Nutrition Service</u>						
Passed through N.C. Dept. of Health and Human Services						
Division of Social Services						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		606,469	17,091		589,378
Total Nutrition Assistance Program			606,469	17,091		589,378
Total Federal Awards			4,053,107	42,086		2,063,827

**PASQUOTANK COUNTY, NORTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule I-1

Page 3 of 4

Grantor/Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed- through to Subrecipients	Local Expenditures
<b>State Grants:</b>						
N.C. Department of Health and Human Services						
Division of Social Services:						
Direct Benefit Payments:						
State/County Special Assistance for Adults						224,512
State/County Special Assistance for the Disabled						236,903
Administration						
State/County Adult Day Care				16,912		2,416
N.C. Department of Agriculture and Consumer Services						
Division of Soil and Water Conservation-Technical Assistance		18-024-4085		12,503		11,676
N.C. Department of Public Safety						
Department of Juvenile Justice and Delinquency Prevention						
Juvenile Crime Prevention Programs				138,044	138,044	9,022
N.C. Department of Public Instruction						
Public School Building Capital Fund-Lottery Proceeds				405,450		
N.C. Department of Environmental Quality						
Electronics Management Program				2,491		22,153
Pasquotank County Pasquotank River Public Access Improvememts		7386		77,815		8,189
Scrap Tire Grant				18,176		45,760
Totals			\$ 4,053,107	\$ 713,477	\$ 132,974	2,624,458

**PASQUOTANK COUNTY, NORTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule I-1

Page 4 of 4

**Notes to the Schedule of Expenditures of Federal and State Financial Awards:****1. Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Pasquotank County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Pasquotank County, it is not intended to and does not present the financial position, changes in net position or cash flows of Pasquotank County.

**2. Summary of Significant Accounting Policies**

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

**3. Indirect Cost Rate**

Pasquotank County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**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.

**5. Benefit Payments Issued by the State**

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

	<u>CFDA</u>		<u>Federal</u>		<u>State</u>
Temporary assistance for needy families	93.558	\$	163,114	\$	-
Energy Assistance	93.568		473,252		445
Medicaid	93.778		38,896,724		20,124,777
Foster Care	93.658		8,481		23,749
Adoption Assistance	93.659		140,252		131,617
WIC	10.557		985,077		
N.C. Health Choice	93.767		969,864		
Special Assistance for Adults					224,512
Special Assistance for the Disabled					236,903